

AMENDED IN ASSEMBLY JUNE 12, 2014

SENATE BILL

No. 858

Introduced by Committee on Budget and Fiscal Review

January 9, 2014

~~An act relating to the Budget Act of 2014.~~ *An act to amend Sections 8206.1, 8236, 8239, 8261, 8263.1, 8265, 8273.1, 8278.3, 8447, 8450, 8499.5, 14041.5, 14041.6, 17080, 24214, 41203.1, 41207.3, 42127, 44374.5, 47644, 48000, 49430.5, 51745.6, 51747, 51747.5, 52055.770, 56836.06, 56836.07, 56836.08, 56836.095, 56836.11, 56836.15, and 60640 of, to amend the heading of Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 of Division 4 of Title 2 of, to amend, repeal, and add Section 47612.1 of, to add Sections 8203.1, 44235.2, 51749.5, and 57149.6 to, to add Chapter 16 (commencing with Section 53010) to Part 28 of Division 4 of Title 2 of, to add and repeal Sections 8363.1, 42127.01, and 41841.9 of, to repeal Sections 14035 and 60640.2 of, and to repeal and add Section 8273.2 of, the Education Code, to amend Section 17581.6 of, and to add Section 17581.8 to, the Government Code, and to amend Item 6110-106-0001 of Section 2.00 of the Budget Act of 2013, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

SB 858, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2014.~~ *Education finance: education omnibus trailer bill.*

(1) Existing law, the Child Care and Development Services Act, requires the State Department of Education to develop an expenditure plan, known as the Child Care and Development Fund (CCDF) Plan, that sets forth the final priorities for child care, as required by federal

law. The act requires the department, before the May budget revision, to provide the revised CCDF Plan to the chairs of the committees of each house of the Legislature that consider appropriations, and to provide a report on the plan to the committees in each house of the Legislature that consider the annual Budget Act appropriation.

The bill would instead require, by April 1 of the year that the CCDF Plan is due, the department to provide the revised plan and a description of any changes to the earlier draft to the Director of Finance and the chairs of the fiscal committees of the Legislature. The bill would require the department, after the CCDF Plan is federally approved, to provide a copy of the final plan to the Department of Finance and the fiscal committees of the Legislature and a description of any changes made since submission for review. The bill would also require the department, if the annual Budget Act requires changes to the approved CCDF Plan, to submit an amended plan to the United States Department of Education.

(2) The Child Care and Development Services Act requires the Superintendent of Public Instruction to develop standards for the implementation of quality programs and requires indicators of quality to include, among other things, a physical environment that is safe and appropriate to the ages of the children and that meets applicable licensing standards.

This bill would require the Superintendent to administer an early learning quality rating and improvement system (QRIS) block grant that would be allocated to local consortia, as defined, for support of local early learning quality rating and improvement systems that increase the number of low-income children in high-quality preschool programs that prepare those children for success in school and life. The bill would require the QRIS block grant to build on preexisting local consortia and other QRIS work. The bill would require local consortia to take certain actions in order to be eligible for a QRIS block grant, and would require the Superintendent, in consultation with the executive director of the State Board of Education, to allocate to local consortia who satisfy these eligibility requirements QRIS block grant funds based on the number of California state preschool program slots within the county or region. The bill would require local consortia receiving QRIS block grant funds to allocate those funds to contracting agencies of the California state preschool program, including certain family child care home education networks, as specified.

(3) Existing law, in the award of new funding for the expansion of the California state preschool program that is appropriated for that purpose in any fiscal year, requires an application for those expansion funds to include an estimate of the number of 4-year-old and 3-year-old children that the applicant plans to serve in the following fiscal year with those expansion funds. Existing law requires the Superintendent of Public Instruction, in awarding the contracts for expansion, to take into account certain criteria and to give priority to applicant agencies that, in expending the expansion funds, will be serving the highest percentage of 4-year-old children.

This bill, commencing June 15, 2015, would require the Superintendent to consider different criteria and data in awarding expansion funds and would require the Superintendent to give priority to applicant agencies that would provide the greatest progress toward achieving access to full-day, full-year services for all income eligible four-year-olds. The bill would specify that a family child care home education network is eligible to apply for expansion funding.

(4) Existing law requires the Superintendent of Public Instruction to adopt rules and regulations pursuant to the Child Care and Development Services Act that include provisions that, among other things, set forth standards for State Department of Education site visits to contracting agencies, as specified.

This bill would require the Superintendent to adopt rules and regulations that authorize the department to develop a process that requires every contracting agency to recompetete for continued funding no less frequently than every 5 years.

(5) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that “income eligible,” for purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at or below 70% of the state median income, adjusted for family size, and adjusted annually. Notwithstanding this provision, existing law sets the income eligibility limits for the 2013–14 fiscal year at 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

This bill would set the income eligibility limits for the 2014–15 fiscal year at 70% of the state median income that was in use for the 2007–08 fiscal year, adjusted for family size.

(6) Existing law requires the Superintendent of Public Instruction to implement a plan that establishes reasonable standards and assigned

reimbursement rates, and requires the standard reimbursement rate to be \$3,523 per unit of average daily enrollment for a 250-day year, increased by the cost-of-living adjustment granted by the Legislature beginning July 1, 1980. Existing law requires the Department of Finance and the Department of General Services to approve or disapprove annual state subsidized child care and development program contract funding terms and conditions, including both family fee schedules and regional market rate schedules that are required to be adhered to by contract. Existing law requires the State Department of Education to implement the regional market rate schedules based upon the county aggregates, as determined by the Regional Market survey conducted in 2005.

This bill would require the standard reimbursement rate to be \$9,024.75 per unit of average daily enrollment for a 250-day year, and, commencing with the 2015–16 fiscal year, would require that rate to be increased by the cost-of-living adjustment granted by the Legislature annually. The bill, commencing January 1, 2015, would require the State Department of Education to implement the regional market rate schedule based upon the county aggregates, as determined by the Regional Market survey conducted in 2009 and would require the regional market rate schedule to be reduced by 13%, except as specified.

(7) Existing law requires the Superintendent of Public Instruction to establish a fee schedule for families using preschool and child care and development services, requires family fees to be assessed at initial enrollment and reassessed at update of certification or recertification, and authorizes certain families to be exempt from the family fees. Existing law requires the family fee schedule that was in effect in the 2012–13 fiscal year to remain in effect for the 2013–14 fiscal year until the first day of a month that is at least 60 days after the new family fee schedule has been approved by the Department of Finance and adopted.

This bill would prohibit fees from being assessed on income-eligible families for their children to attend a part-day California state preschool program. The bill, commencing with the 2014–15 fiscal year, would require the adopted family fee schedule that was in effect on July 1, 2014, to remain in effect.

(8) Existing law establishes the Child Care Facilities Revolving Fund to provide funding for the renovation, repair, or improvement of an existing building to make the building suitable for licensure for child care and development services, and for the purchase of new relocatable child care facilities for lease to school districts and contracting agencies

that provide child care and development services, pursuant to the Child Care and Development Services Act.

This bill would make funding from the Child Care Facilities Revolving Fund available to local educational agencies and contracting agencies that provide child care and development services, pursuant to the Child Care and Development Services Act. The bill would require any augmentations to the Child Care Facilities Revolving Fund made by the Budget Act of 2014 to be used for renovation or repair of existing local educational agency facilities or new relocatable child care facilities for lease to local educational agencies that provide California state preschool program services, as specified.

(9) Existing law requires the Commission on Teacher Credentialing to establish the requirements for the issuance and renewal of permits authorizing (A) service in the care, development, and instruction of children in child care and development programs, and (B) supervision of a child care and development program.

This bill, on or before July 1, 2016, would require the Commission on Teacher Credentialing to review, and update if appropriate, the conditions for issuance or renewal of the permits described above.

(10) Existing law authorizes a child development contractor to retain a reserve fund balance equal to 5% of the sum of the maximum reimbursable amount of all contracts to which the contractor is a party, or \$2,000, whichever is greater.

This bill would authorize a California state preschool program contracting agency to retain in the reserve fund an additional 10% of the sum of the maximum reimbursable amount of all preschool contracts to which the contracting agency is a party for purposes of professional development for California state preschool program staff.

(11) Existing law establishes the county school service fund contingency account in the General Fund, which is credited with \$100,000 each fiscal year to reimburse county superintendents of schools for certain expenses, as specified.

This bill would repeal that provision.

(12) Existing law establishes the public elementary and secondary schools and the system of public community colleges in this state, and provides for a system for their funding. Provisions of the California Constitution require that a minimum amount of aggregate funding, calculated as specified, be allocated to school districts and community college districts unless this requirement is suspended, as provided. Pursuant to existing statutes, school districts, community college

districts, and other local educational agencies receive a portion of their funding through apportionments of state funds made in accordance with payment schedules. Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts, county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would delete authorizations for deferrals for school districts and county offices of education beyond the 2014–15 fiscal year, and would, for purposes of calculations required by the California Constitution, provide that specified amounts of warrants drawn in July 2014 shall be included in the total allocations to school districts and community college districts for the 2012–13 and 2013–14 fiscal years, as specified. For the 2014–15 fiscal year, the bill would provide that warrants for the principal apportionments for the month of June in the amount \$897,184,000 instead shall be drawn in July of the same calendar, but would authorize those deferrals, as well as specified deferrals for apportionments to the California Community Colleges, to not be made if the Director of Finance, on or before May 14, 2015, determines that the total allocations required by the California Constitution for the 2013–14 and 2014–15 fiscal years, as estimated by the Director of Finance on May 13, 2015, exceed the estimate of the required allocations as determined at the time of, and as set forth in, the 2014 Budget Act.

(13) Existing law requires, whenever moneys transferred to the General Fund each year from moneys deposited into the Public School Building Loan Fund and the State School Building Aid Fund exceed the amounts required to reimburse the General Fund on account of principal and interest due and payable for that fiscal year on all school building aid bonds outstanding against the state, an amount equal to such excess to be appropriated from the General Fund for purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976. Existing law establishes the State School Deferred Maintenance Fund which is continuously appropriated for the purposes for which it is established.

This bill would instead require the excess amount to be appropriated from the General Fund for purposes of the School Facilities Emergency Repair Account. The bill would also eliminate the State School Deferred Maintenance Fund.

(14) Existing law, the Teachers' Retirement Law, establishes the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program. Existing law limits the amount of postretirement compensation that may be earned in specific types of employment by a retired member of the Defined Benefit Program in any one school year without a reduction in retirement allowance. Existing law exempts from the limit compensation paid to a retired member who has returned to work after the date of retirement as an appointed trustee, fiscal advisor, fiscal expert, receiver, or special trustee, as specified. Existing law, as of July 1, 2014, revises these provisions by, among other things, deleting the exemption.

This bill would delay the revisions until July 1, 2017.

(15) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the 1992–93 to 2013–14 fiscal years, inclusive.

This bill would also make that provision inapplicable to the 2014–15 fiscal year.

(16) Existing law declares that the minimum state educational funding obligation for school districts and community college districts for the 2006–07 fiscal year is \$55,251,266,000, with an outstanding balance of \$211,533,000. Existing law, commencing with the 2014–15 fiscal year, requires the Legislature to appropriate the outstanding balance, as specified.

This bill would delay that requirement until the 2015–16 fiscal year.

(17) Existing law authorizes a school district or county superintendent of schools to claim average daily attendance for purposes of apportionments from the adult education fund for schools or classes maintained for adults in correctional facilities if those classes meet specified requirements.

This bill would, for the 2014–15 fiscal year only, apply these provisions to a charter school whose charter was granted by its chartering authority after July 1, 2014.

(18) Existing law authorizes a school district or charter school to maintain a transitional kindergarten program and defines transitional kindergarten as the first year of a 2-year kindergarten program that

uses a modified kindergarten curriculum that is age and developmentally appropriate.

This bill would state the intent of the Legislature that the transitional kindergarten curriculum be aligned to the California Preschool Learning Foundations developed by the State Department of Education. The bill, as a condition of receipt of apportionment for pupils in a transitional kindergarten program, would require a school district or charter school to ensure that teachers assigned to a transitional kindergarten class after July 1, 2015, be credentialed and, by August 1, 2020, have a minimum number of units in early childhood education or childhood development, comparable experience in a preschool setting, or a child development permit issued by the Commission on Teacher Credentialing.

(19) Existing law requires the Superintendent of Public Instruction, the Controller, and the Director of Finance to develop standards and criteria, including, among others, methods of projection of reserves and fund balance, to be reviewed and adopted by the State Board of Education, and to be used by local educational agencies in the development of annual budgets and the management of subsequent expenditures from that budget. Existing law, on or before July 1 of each year, requires the governing board of each school district to hold a public hearing on, and adopt, a budget for the subsequent fiscal year, and to file the adopted budget with the county superintendent of schools, as specified. Existing law requires the county superintendent of schools to examine the adopted budget, as specified, to make certain determinations related to the adopted budget, and to approve, conditionally approve, or disapprove the adopted budget for each school district. Existing law, on or before September 8, and after a public hearing regarding the proposed revisions to the budget, as specified, requires the governing board of the school district to revise the adopted budget to reflect certain fiscal changes, as provided, and to file the revised budget with the county superintendent of schools.

This bill would, commencing with budgets adopted by a school district for the 2015–16 fiscal year, require a school district that proposes to adopt or revise a budget that includes a combined assigned or unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties, as established by the state board, to provide at a public hearing, among other things, a statement of reasons that substantiates the need for the balance, and would require the county superintendent of schools, when making the

required determinations, to also determine whether a school district's adopted or revised budget includes a such a balance. By imposing additional duties on local educational agencies, the bill would impose a state-mandated local program.

This bill would, in a fiscal year immediately after which a transfer is made into the Public School System Stabilization Account, which would be created by an Assembly Constitutional Amendment, prohibit a school district's adopted or revised budget from containing a combined assigned or unassigned ending fund balance that is in excess of either two or three times the minimum recommended reserve for economic uncertainties, as established by the state board, depending on units of average daily attendance for the school district. The bill would authorize the county superintendent of schools to waive the prohibition, pursuant to specified conditions, for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances substantiates the need for the balance. The bill would make these provisions operative contingent on the voter approval of a specified Assembly Constitutional Amendment at the November 4, 2014, statewide general election.

(20) Existing law establishes the Teacher Credentials Fund, requires all fees levied and collected by the Commission on Teacher Credentialing to be deposited in the fund, and prohibits them from being transferred to any other fund. Existing law also establishes the Test Development and Administration Account in the Teacher Credentials Fund, and requires all fees collected by the commission for tests, examinations, or assessments to be deposited in the account.

This bill would, if, in any month there are insufficient moneys in the Teacher Credentials Fund to satisfy monthly payroll obligations and scheduled claims and there are moneys in the Test Development and Administration Account not required to meet a demand that has accrued or may accrue against it, require the Controller to transfer moneys from the account to the fund to the extent necessary to meet the immediate obligations of the fund. The bill would provide for the repayment of the transfer, as specified.

(21) Existing law establishes the Commission on Teacher Credentialing for, among other purposes, the establishment of professional standards, assessments, and examinations for entry and advancement in the teaching profession. Existing law authorizes the commission to charge a fee to applicable local educational agencies and institutions of higher education to recover the standard costs of

reviewing new educator preparation programs and specified accreditation activities, as provided.

This bill would instead authorize the commission to charge fees to sponsors of educator preparation programs to cover the cost of reviewing new and existing educator preparation programs and specified accreditation activities, as provided.

(22) The Charter Schools Act of 1992 requires that a pupil over 19 years of age be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma in order to remain eligible for generating charter school apportionments. The act exempts charter school programs that provide instruction exclusively in partnership with any of several specified career preparation programs from those requirements.

This bill would, for the 2014–15 fiscal year, make that exemption applicable to a charter school whose charter was granted by its chartering authority before July 1, 2014, and that provides instruction exclusively in partnership with any of the specified career preparation programs.

(23) Existing law sets the reimbursement a school receives for free and reduced-price meals sold or served to pupils in elementary, middle, or high schools at \$0.2229 per meal, and, for meals served in child care centers and homes, at \$0.1660 per meal.

This bill would set the reimbursement amount for schools at \$0.2248 per meal, and, for meals served in child care centers and homes, at \$0.1674 per meal.

(24) Existing law authorizes the governing board of a school district or a county office of education to offer independent study to meet the educational needs of pupils in accordance with prescribed criteria. Existing law requires a written agreement for each independent study pupil, not to exceed one semester or $\frac{1}{2}$ year for a school on a year-round calendar, to be signed by prescribed individuals, to be maintained on file.

This bill would instead require that the signed written agreement not exceed one school year, and would allow the signed written agreement to be maintained on file electronically. The bill would, notwithstanding any other law, and commencing with the 2015–16 school year, authorize a school district, county office of education, or charter school to offer independent study courses to pupils enrolled in kindergarten and grades 1 to 12, inclusive, in accordance with prescribed conditions, including, among others, that the courses be taught under the general supervision

of certificated employees who hold the appropriate subject matter credential, that courses are annually certified, by school district, charter school, or county office of education governing board or body resolution, to be of the same rigor and educational quality as equivalent classroom-based courses, and that certificated employees and each pupil shall communicate in-person, by telephone, or by any other live visual or audio connection no less than twice per calendar month to assess whether each pupil is making satisfactory educational progress. The bill would also require that a signed learning agreement, as specified, be completed and on file. The bill would prohibit pupils from being required to enroll in the independent study courses.

(25) Existing law requires the ratio of average daily attendance for independent study pupils 18 years of age or less to full-time equivalent certificated employees responsible for independent study to not exceed a specified ratio. Existing law authorizes school districts and county offices of education to claim apportionment credit for independent study only to the extent of the time value of pupil work product, as personally judged in each instance by a certificated teacher.

This bill would specify the computation of average daily attendance for the independent study courses described above. The bill would prohibit school districts, charter schools, and county offices of education from having to sign and date pupil work products when assessing their time value of pupil work products for apportionment purposes. The bill would also revise the pupil-to-teacher ratios by grade span, as specified.

(26) Existing law, the Quality Education Investment Act of 2006, among other things, effectuates the intent of the Legislature to implement the terms of the proposed settlement agreement of a specified legal action. The act appropriates specified funds for these purposes.

This bill would specify previously undetermined appropriations made pursuant to these provisions.

(27) Existing law provides for the allocation of funds appropriated by the Budget Act of 2013 for the establishment of the California Career Pathways Trust, and requires these funds to be apportioned to school districts, county superintendents of schools, charter schools, and community colleges for career pathways programs that accomplish specified objectives.

This bill would establish the California Career Pathways Trust, and would require the State Department of Education, contingent upon appropriation in the annual Budget Act, to administer the California Career Pathways Trust as a competitive grant program for kindergarten

to grade 14, inclusive. The bill would require grant recipients to fulfill specified requirements and conditions, and would impose restrictions on the use of funds, including prohibiting the use of funds to supplant other funds from state, federal, or other sources, as specified. The bill would require the Superintendent of Public Instruction to consider specified priorities when approving an application for funds.

(28) Existing law establishes the Measurement of Academic Performance and Progress (MAPP), commencing with the 2013–14 school year, for the assessment of certain elementary and secondary pupils, as provided. As part of MAPP, existing law requires the State Department of Education to make available to local educational agencies a primary language assessment aligned to the English language arts standards adopted by the State Board of Education for assessing pupils who are enrolled in a dual language immersion program and who are either nonlimited English proficient or redesignated English proficient, as provided. Existing law also authorizes the governing board of a school district to administer a primary language assessment aligned to the English language arts standards adopted by the state board for assessing pupils identified as limited English proficient who are enrolled in any of grades 2 to 11, inclusive, and who either receives instruction in his or her primary language or has been enrolled in a school in the United States for 12 months, as provided. Existing law allocates the costs associated with administration of the assessments, as specified.

This bill would change the name of the MAPP to the California Assessment of Student Performance and Progress (CAASPP). The bill would instead authorize a local educational agency to administer, as part of CAASPP, the primary language assessment to pupils identified as limited English proficient and who are enrolled in any of grades 2 to 11, inclusive, until a subsequent primary language assessment aligned to the common core standards in English language arts adopted by the state board is developed, as provided. The bill would, subject to the approval of the state board, authorize the department to make available to local educational agencies a primary language assessment that is aligned to the English language arts standards adopted by the state board for assessing pupils who are enrolled in a dual language immersion program and who are either nonlimited English proficient or redesignated English proficient until as provided. The bill would revise the allocation of costs associated with the administration of the assessments, as specified.

(29) *Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law requires certain funds appropriated in the annual Budget Act for reimbursement of the cost of a new program or increased level of service of an existing program mandated by statute or executive order to be available as a block grant to school districts, charter schools, and county offices of education, to support specified state-mandated local programs. Existing law provides that a school district, charter school, or county office of education that submits a letter of intent to the Superintendent of Public Instruction and receives this block grant funding is not eligible to submit a claim for reimbursement for those specified mandated programs for the fiscal year for which the block grant funding is received.*

This bill would revise the list of programs that are authorized for block grant funding in lieu of program-specific reimbursement.

(30) *This bill would appropriate \$287,149,000 from the General Fund to the Superintendent of Public Instruction for allocation to school districts, county offices of education, and charter schools, and would appropriate \$49,500,000 from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts. The bill would require any allocations made to first satisfy any outstanding claims for reimbursement of state-mandated local program costs, and would authorize the Controller to audit any claims and reduce any amounts owed, as provided. The bill would authorize any funds received to be expended for any one-time purpose, but would state Legislature's intent that school districts, county offices of education, and charter schools use the funds for professional development, instructional materials, technology infrastructure, and any other investments necessary to support implementation of the common core standards in English language arts and mathematics, the implementation of English language development standards, and the implementation of the Next Generation Science standards.*

(31) *This bill would require that the funds appropriated pursuant to a designated item of the Budget Act of 2013 to the State Department of Education for support of the California Local Control Accountability Support Network be available for encumbrance until June 30, 2015.*

(32) *A certain item of the Budget Act of 2013 appropriated \$381,000,000 to the State Department of Education for allocation by*

the Superintendent of Public Instruction to school districts, county offices of education, state special schools, and charter schools for specified purposes.

This bill would reappropriate the balance of those appropriations to the department, for the same purposes, and would provide that those funds would be available for encumbrance until June 30, 2018.

(33) This bill would provide that, of the amount allocated in a specified schedule of the Budget Acts of 2012 and 2013 for special education instruction, \$32,806,000 and \$46,943,000, respectively, would be provided to fund the 2010–11 fiscal year maintenance of effort in the special education program.

(34) This bill would require an amount to be determined by the Director of Finance to be appropriated, on or before June 30, 2015, from the General Fund to the Superintendent of Public Instruction in the event that specified revenues distributed to local educational agencies for special education programs are less than the estimated amount reflected in the Budget Act of 2014.

(35) This bill would make conforming changes, delete obsolete provisions, correct cross-references, and make other nonsubstantive changes.

(36) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(37) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(38) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. (a) The Legislature finds and declares that quality*
2 *early learning and care for children from infancy to five years of*
3 *age is a sound and strategic investment to narrow achievement*
4 *gaps that are present well before children enter kindergarten.*

5 *(b) It is the intent of the state to ensure a fair start to all*
6 *low-income children by providing quality preschool opportunities*
7 *for all low-income children whose families wish to enroll their*
8 *children. It is further the intent of the state to provide all*
9 *low-income four-year-old children from working families with*
10 *full-day, full-year early education and care.*

11 *SEC. 2. Section 8203.1 is added to the Education Code, to*
12 *read:*

13 *8203.1. (a) The Superintendent shall administer a QRIS block*
14 *grant, pursuant to an appropriation made for that purpose in the*
15 *annual Budget Act, to be allocated to local consortia for support*
16 *of local early learning quality rating and improvement systems*
17 *that increase the number of low-income children in high-quality*
18 *preschool programs that prepare those children for success in*
19 *school and life.*

20 *(b) (1) For purposes of this section, “early learning quality*
21 *rating and improvement system” or “QRIS” is defined as a locally*
22 *determined system for continuous quality improvement based on*
23 *a tiered rating structure with progressively higher quality*
24 *standards for each tier that provides supports and incentives for*
25 *programs, teachers, and administrators to reach higher levels of*
26 *quality, monitors and evaluates the impacts on child outcomes,*
27 *and disseminates information to parents and the public about*
28 *program quality.*

29 *(2) For purposes of this section, “local consortium” is defined*
30 *as a local or regional entity, administered by a lead agency, that*
31 *convenes a planning body that designs and implements a QRIS. A*
32 *local consortium shall include representatives from organizations*
33 *including, but not limited to, all of the following:*

34 *(A) Local educational agencies.*

35 *(B) First 5 county commissions.*

36 *(C) Local postsecondary educational institutions.*

37 *(D) Local child care planning councils.*

38 *(E) Local resource and referral agencies.*

1 (F) Other local agencies, including nonprofit organizations,
2 that provide services to children from birth to five years of age,
3 inclusive.

4 (3) For purposes of this section, “quality continuum framework”
5 means the tiered rating matrix created and adopted by a local
6 consortium for purposes of implementing a QRIS. The tiered rating
7 matrix shall include three common tiers shared by all participating
8 local consortia. Changes to the common tiers shall be approved
9 and adopted by all participating local consortia.

10 (c) The QRIS block grant shall build on local consortia and
11 other local QRIS work in existence on or before the operative date
12 of this section.

13 (d) For the 2014–15 fiscal year, if a county or region has an
14 established local consortium that has adopted a quality continuum
15 framework, the local consortium’s lead administering agency shall
16 be provided the first opportunity to apply for a QRIS block grant.

17 (e) Local consortia shall do all of the following to be eligible
18 for a QRIS block grant:

19 (1) Implement a QRIS that incorporates evidence-based elements
20 and tools in the quality continuum framework that are tailored to
21 the local conditions and enhanced with local resources.

22 (2) Set ambitious yet achievable targets for California state
23 preschool program contracting agencies’ participation in the QRIS
24 with the goal of achieving the highest common tier, as the tier
25 existed on June 1, 2014, or a higher level of quality.

26 (3) Develop an action plan that includes a continuous quality
27 improvement process that is tied to improving child outcomes.

28 (4) Describe how QRIS block grant funds will be used to
29 increase the number of sites achieving the highest common local
30 tier and to directly support classrooms that have achieved the
31 highest common tier, as that tier existed on June 1, 2014, or a
32 higher level of quality.

33 (f) The Superintendent, in consultation with the executive
34 director of the state board, shall allocate QRIS block grant funds
35 to local consortia that satisfy the requirements of subdivision (e)
36 based on the number of California state preschool program slots
37 within the county or region.

38 (g) (1) Local consortia receiving QRIS block grant funds shall
39 allocate those funds to contracting agencies of the California state
40 preschool program, as established by Article 7 (commencing with

1 *Section 8235), or local educational agencies, for activities that*
2 *support and improve quality, and assess quality and access. In*
3 *allocating the QRIS block grant funds, priority shall be given to*
4 *directly supporting the classrooms of the California state preschool*
5 *program sites that have achieved the highest common local tier*
6 *of quality.*

7 *(2) No more than 20 percent of a local consortium's QRIS block*
8 *grant funds may be used for assessment and access projects.*

9 *(h) A family child care home education network established*
10 *pursuant to Section 8245 that provides California state preschool*
11 *program services shall be eligible for an allocation from a local*
12 *consortium of QRIS block grant funds for activities that support,*
13 *improve, and assess quality.*

14 *SEC. 3. Section 8206.1 of the Education Code is amended to*
15 *read:*

16 8206.1. (a) The Superintendent shall collaborate with the
17 Secretary of Health and Human Services, with the advice and
18 assistance of the Child Development Programs Advisory
19 Committee, in the development of the state plan required pursuant
20 to the federal Child Care and Development Fund, before submitting
21 or reporting on that plan to the federal Secretary of Health and
22 Human Services.

23 (b) (1) For purposes of this section, "Child Care and
24 Development Fund" has the same meaning as in Section 98.2 of
25 Title 45 of the Code of Federal Regulations.

26 (2) For ~~the~~ purposes of this section, "collaborate" means to
27 cooperate with and to consult with.

28 (c) (1) As required by federal law, the department shall develop
29 an expenditure plan that sets forth the final priorities for child care.
30 The department shall coordinate with the State Department of
31 Social Services, the California Children and Families Commission,
32 and other stakeholders, including the Department of Finance, to
33 develop the Child Care and Development Fund (CCDF) Plan. On
34 or before February 1 of the year that the CCDF Plan is due to the
35 federal government, the department shall release a draft of the
36 plan. The department shall then commence a 30-day comment
37 period that shall include at least one hearing and the opportunity
38 for written comments. ~~Before the May budget revision, By April~~
39 ~~1 of the year that the CCDF Plan is due, the department shall~~
40 ~~provide the revised CCDF Plan plan and a description of any~~

1 *changes to the earlier draft to the Director of Finance and the*
2 *chairs of the fiscal committees of each house of the Legislature*
3 *that consider appropriations, and shall provide a report on the plan*
4 *to the committees in each house of the Legislature that consider*
5 *the annual Budget Act appropriation. Legislature.*

6 *(2) After the CCDF Plan is approved by the United States*
7 *Department of Education, the department shall provide to the*
8 *Department of Finance and the fiscal committees of the Legislature*
9 *a copy of the final plan and a description of any changes made*
10 *since submitting the draft plan for review.*

11 *(3) If the annual Budget Act requires changes to the approved*
12 *CCDF Plan, the department shall submit an amended plan to the*
13 *United States Department of Education.*

14 *SEC. 4. Section 8236 of the Education Code is amended to*
15 *read:*

16 8236. (a) (1) Each applicant or contracting agency funded
17 pursuant to Section 8235 shall give first priority to three- or
18 four-year-old neglected or abused children who are recipients of
19 child protective services, or who are at risk of being neglected,
20 abused, or exploited upon written referral from a legal, medical,
21 or social service agency. If an agency is unable to enroll a child
22 in this first priority category, the agency shall refer the child's
23 parent or guardian to local ~~resource~~ resources and referral services
24 so that services for the child can be located.

25 (2) Notwithstanding Section 8263, after children in the first
26 priority category set forth in paragraph (1) are enrolled, each
27 agency funded pursuant to Section 8235 shall give priority to
28 eligible four-year-old children *who are not enrolled in a*
29 *state-funded transitional kindergarten program* before enrolling
30 eligible three-year-old children. Each agency shall certify to the
31 Superintendent that enrollment priority is being given to eligible
32 four-year-old children.

33 (b) For California state preschool programs operating with
34 funding that was initially allocated in a prior fiscal year, at least
35 one-half of the children enrolled at a preschool site shall be
36 four-year-old children. Any exception to this requirement shall be
37 approved by the Superintendent. The Superintendent shall inform
38 the Department of Finance of any exceptions that have been granted
39 and the reasons for granting the exceptions.

1 ~~(e) The following provisions apply to the award of new funding~~
2 ~~for the expansion of the California state preschool program that is~~
3 ~~appropriated by the Legislature for that purpose in any fiscal year:~~

4 ~~(1) In an application for those expansion funds, an agency shall~~
5 ~~furnish the Superintendent with an estimate of the number of~~
6 ~~four-year-old and three-year-old children that it plans to serve in~~
7 ~~the following fiscal year with those expansion funds. The agency~~
8 ~~also shall furnish documentation that indicates the basis of those~~
9 ~~estimates.~~

10 ~~(2) In awarding contracts for expansion pursuant to this~~
11 ~~subdivision, the Superintendent, after taking into account the~~
12 ~~geographic criteria established pursuant to Section 8279.3, and the~~
13 ~~headquarters preferences and eligibility criteria relating to fiscal~~
14 ~~or programmatic noncompliance established pursuant to Section~~
15 ~~8261, shall give priority to applicant agencies that, in expending~~
16 ~~the expansion funds, will be serving the highest percentage of~~
17 ~~four-year-old children.~~

18 ~~(c) (1) (A) Commencing June 15, 2015, and notwithstanding~~
19 ~~any other law, in awarding new funding for the expansion of a~~
20 ~~California state preschool program that is appropriated by the~~
21 ~~Legislature for that purpose in any fiscal year, the Superintendent,~~
22 ~~after taking into account the geographic criteria established~~
23 ~~pursuant to Section 8279.3 and the data described in subparagraph~~
24 ~~(B), shall give priority to applicant agencies that, in expending~~
25 ~~the expansion funds, will provide the greatest progress toward~~
26 ~~achieving access to full-day, full-year services for all~~
27 ~~income-eligible four year old children.~~

28 ~~(B) In awarding funding pursuant to subparagraph (A) and in~~
29 ~~order to promote access for all income-eligible four-year-old~~
30 ~~children to at least a part-day California state preschool program,~~
31 ~~the department shall take into account the needs assessments~~
32 ~~submitted to the department pursuant to Section 8499.5 and any~~
33 ~~other high-quality data resources available to the department.~~

34 ~~(2) Expansion funding awarded pursuant to paragraph (1) shall~~
35 ~~be apportioned at the rate described in Section 8265 and as~~
36 ~~determined in the annual Budget Act.~~

37 ~~(3) A family child care home education network shall be eligible~~
38 ~~to apply for expansion funding awarded pursuant to paragraph~~
39 ~~(1).~~

(d) This section does not preclude a local educational agency from subcontracting with an appropriate public or private agency to operate a California state preschool program and to apply for funds made available for the purposes of this section. If a school district chooses not to operate or subcontract for a California state preschool program, the Superintendent shall work with the county office of education and other eligible agencies to explore possible opportunities in contracting or alternative subcontracting to provide a California state preschool program.

(e) This section does not prevent eligible children who are currently receiving services from continuing to receive those services in future years pursuant to this chapter.

SEC. 5. Section 8239 of the Education Code is amended to read:

8239. The Superintendent shall encourage state preschool program applicants or contracting agencies to offer full-day services through a combination of part-day preschool slots and wraparound general child care and development programs. In order to facilitate a full-day of services, all of the following shall apply:

(a) Part-day preschool programs provided pursuant to this section shall operate between 175 and 180 days.

(b) Wraparound general child care and development programs provided pursuant to this section may operate a minimum of 246 days per year unless the child development contract specified a lower minimum days of operation. Part-day general child care and development programs may operate a full-day for the remainder of the year after the completion of the preschool program.

(c) Part-day preschool services combined with wraparound child care services shall be reimbursed at no more than the full-day standard reimbursement rate for general child care programs with adjustment factors, pursuant to Section 8265 and as determined in the annual Budget Act.

(d) Three- and four-year-old children are eligible for wraparound child care services to supplement the part-day California state preschool program if the family meets at least one of the criteria specified in paragraph (1) of subdivision (a) of Section 8263, and the parents meet at least one of the criteria specified in paragraph (2) of subdivision (a) of Section 8263.

~~(e) Fees shall be assessed and collected for families with children in part-day preschool programs, or families receiving wraparound~~

1 child care services, or both, pursuant to Article 11.5 (commencing
2 with Section 8273):

3 (f) ~~The Superintendent shall annually report to the Department~~
4 ~~of Finance, on or before October 1 of each year, the fees collected~~
5 ~~from families who have children enrolled in the California state~~
6 ~~preschool program. The report shall distinguish between family~~
7 ~~fees collected for part-day preschool programs and fees collected~~
8 ~~for wraparound child care services.~~

9 (g)

10 (e) For purposes of this section, “wraparound child care
11 services” and “wraparound general child care and development
12 programs” mean services provided for the remaining portion of
13 the day or remainder of the year following the completion of
14 part-day preschool services that are necessary to meet the child
15 care needs of parents eligible pursuant to subdivision (a) of Section
16 8263. These services shall be provided consistent with the general
17 child care and development programs provided pursuant to Article
18 8 (commencing with Section 8240).

19 *SEC. 6. Section 8261 of the Education Code is amended to*
20 *read:*

21 8261. (a) ~~The Superintendent of Public Instruction~~ shall adopt
22 rules and regulations pursuant to this chapter. The rules and
23 regulations shall include, but not be limited to, provisions which
24 do all of the following:

25 (1) Provide clear guidelines for the selection of agencies when
26 child development contracts are let, including, but not limited to,
27 specification that any agency headquartered in the proposed service
28 area on January 1, 1985, will be given priority for a new contract
29 in that area, unless the ~~State Department of Education~~ *department*
30 makes a written determination that (A) the agency is not able to
31 deliver the level of services specified in the request for proposal,
32 or (B) the department has notified the agency that it is not in
33 compliance with the terms of its contract.

34 (2) Provide for a contract monitoring system to ensure that
35 agencies expend funds received pursuant to this chapter in
36 accordance with the provisions of their contracts.

37 (3) Specify adequate standards of agency performance.

38 (4) Establish reporting requirements for service reports,
39 including provisions for varying the frequency with which these
40 reports are to be submitted on the basis of agency performance.

1 (5) Specify standards for withholding payments to agencies that
2 fail to submit required fiscal reports.

3 (6) Set forth standards for department site visits to contracting
4 agencies, including, but not limited to, specification as to the
5 purpose of the visits, the personnel that will perform these visits,
6 and the frequency of these visits which shall be as frequently as
7 staff and budget resources permit. By September 1 of each year,
8 the department shall report to the Senate Education, Senate Health
9 and Human Services, Assembly Education, and Assembly Human
10 Services Committees on the number of visits conducted during
11 the previous fiscal year pursuant to this paragraph.

12 (7) *Authorize the department to develop a process that requires*
13 *every contracting agency to recompete for continued funding no*
14 *less frequently than every five years.*

15 (b) ~~The superintendent~~ *Superintendent* shall consult with the
16 State Department of Social Services with respect to rules and
17 regulations adopted relative to the disbursement of federal funds under
18 Title XX of the federal Social Security Act.

19 (c) For purposes of expediting the implementation of state or
20 federal legislation to expand child care services, ~~the superintendent~~
21 *Superintendent* may waive (1) the regulations regarding the point
22 qualifications for, and the process and scoring of, interviews of
23 contract applicants pursuant to Section 18002 of Title 5 of the
24 California Code of Regulations, or (2) the time limitations for
25 scheduling and notification of appeal hearings and their results
26 pursuant to Section 18003 of Title 5 of the California Code of
27 Regulations. ~~The superintendent~~ *Superintendent* shall ensure that
28 the appeal hearings provided for in Section 18003 of Title 5 of the
29 California Code of Regulations are conducted in a timely manner.

30 (d) (1) Child care and development programs operated under
31 contract from funds made available pursuant to the federal Child
32 Care and Development Fund, shall be administered according to
33 Division 19 (commencing with Section 17906) of Chapter 1 of
34 Title 5 of the California Code of Regulations, unless provisions
35 of these regulations conflict with federal regulations. If state and
36 federal regulations conflict, the federal regulations shall apply
37 unless a waiver of federal regulations is authorized.

38 (2) For purposes of this section, “Child Care and Development
39 Fund” has the same meaning as in Section 98.2 of Title 45 of the
40 Code of Federal Regulations.

1 *SEC. 7. Section 8263.1 of the Education Code is amended to*
2 *read:*

3 8263.1. (a) For purposes of this chapter, “income eligible”
4 means that a family’s adjusted monthly income is at or below 70
5 percent of the state median income, adjusted for family size, and
6 adjusted annually.

7 (b) Notwithstanding any other law, for the 2011–12 fiscal year,
8 the income eligibility limits that were in effect for the 2007–08
9 fiscal year shall be reduced to 70 percent of the state median
10 income that was in use for the 2007–08 fiscal year, adjusted for
11 family size, effective July 1, 2011.

12 (c) Notwithstanding any other law, for the 2012–13 fiscal year,
13 the income eligibility limits shall be 70 percent of the state median
14 income that was in use for the 2007–08 fiscal year, adjusted for
15 family size.

16 (d) Notwithstanding any other law, for the 2013–14 fiscal year,
17 the income eligibility limits shall be 70 percent of the state median
18 income that was in use for the 2007–08 fiscal year, adjusted for
19 family size.

20 (e) *Notwithstanding any other law, for the 2014–15 fiscal year,*
21 *the income eligibility limits shall be 70 percent of the state median*
22 *income that was in use for the 2007–08 fiscal year, adjusted for*
23 *family size.*

24 ~~(e)~~
25 (f) The income of a recipient of federal supplemental security
26 income benefits pursuant to Title XVI of the federal Social Security
27 Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program
28 benefits pursuant to Title XVI of the federal Social Security Act
29 and Chapter 3 (commencing with Section 12000) of Part 3 of
30 Division 9 of the Welfare and Institutions Code shall not be
31 included as income for purposes of determining eligibility for child
32 care under this chapter.

33 *SEC. 8. Section 8265 of the Education Code is amended to*
34 *read:*

35 8265. (a) The Superintendent shall implement a plan that
36 establishes reasonable standards and assigned reimbursement rates,
37 which vary with the length of the program year and the hours of
38 service.

39 (1) Parent fees shall be used to pay reasonable and necessary
40 costs for providing additional services.

(2) When establishing standards and assigned reimbursement rates, the Superintendent shall confer with applicant agencies.

(3) The reimbursement system, including standards and rates, shall be submitted to the Joint Legislative Budget Committee.

(4) The Superintendent may establish any regulations he or she deems advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) The standard reimbursement rate shall be ~~three thousand five hundred twenty-three dollars (\$3,523)~~ *nine thousand twenty-four dollars and seventy-five cents (\$9,024.75)* per unit of average daily enrollment for a 250-day year, *and commencing with the 2015–16 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature beginning July 1, 1980, annually pursuant to Section 42238.15.*

(c) The plan shall require agencies having an assigned reimbursement rate above the current year standard reimbursement rate to reduce costs on an incremental basis to achieve the standard reimbursement rate.

(d) The plan shall provide for adjusting reimbursement on a case-by-case basis, in order to maintain service levels for agencies currently at a rate less than the standard reimbursement rate. Assigned reimbursement rates shall be increased only on the basis of one or more of the following:

(1) Loss of program resources from other sources.

(2) Need of an agency to pay the same child care rates as those prevailing in the local community.

(3) Increased costs directly attributable to new or different regulations.

(4) Documented increased costs necessary to maintain the prior year's level of service and ensure the continuation of threatened programs.

Child care agencies funded at the lowest rates shall be given first priority for increases.

(e) The plan shall provide for expansion of child development programs at no more than the standard reimbursement rate for that fiscal year.

(f) The Superintendent may reduce the percentage of reduction for a public agency that satisfies any of the following:

(1) Serves more than 400 children.

(2) Has in effect a collective bargaining agreement.

(3) Has other extenuating circumstances that apply, as determined by the Superintendent.

SEC. 9. Section 8273.1 of the Education Code is amended to read:

8273.1. (a) Families receiving services pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to three months.

(b) Families receiving services pursuant to subparagraph (C) of paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to 12 months.

(c) The cumulative period time of exemption from family fees for families receiving services pursuant to paragraph (1) of subdivision (b) of Section 8263 shall not exceed 12 months.

(d) Notwithstanding any other law, a family receiving CalWORKs cash aid shall not be charged a family fee.

(e) Notwithstanding any other law, commencing with the 2014–15 fiscal year, family fees shall not be assessed for the part-day California preschool program to income eligible families whose children are enrolled in that program pursuant to Article 7 (commencing with Section 8235).

SEC. 10. Section 8273.2 of the Education Code is repealed.

~~8273.2. (a) Notwithstanding paragraph (1) of subdivision (b) of Section 8447, for the 2006–07 fiscal year, the department shall update the family fee schedules by family size, based on the 2005 state median income survey data for a family of four. The family fee schedule used during the 2005–06 fiscal year shall remain in effect. However, the department shall adjust the family fee schedule for families that are newly eligible to receive or will continue to receive services under the new income eligibility limits. The family fees shall not exceed 10 percent of the family's monthly income.~~

~~(b) Notwithstanding any other law, the family fee schedule that was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11 fiscal years shall be adjusted to reflect the income eligibility limits specified in subdivision (b) of Section 8263.1 for the 2011–12 fiscal year, and shall retain a flat fee per family. The revised family fee schedule shall begin at income levels at which families currently begin paying fees. The revised family fees shall not exceed 10 percent of the family's monthly income. The department shall first submit the adjusted family fee schedule to the~~

1 Department of Finance for approval in order for the adjusted family
2 fee schedule to be implemented by July 1, 2011.

3 ~~(e) Notwithstanding any other law, the family fee schedule that~~
4 ~~was in effect for the 2011–12 fiscal year pursuant to subdivision~~
5 ~~(b) shall remain in effect for the 2012–13 fiscal year, and shall~~
6 ~~retain a flat fee per family.~~

7 ~~(d) Notwithstanding any other law, the family fee schedule that~~
8 ~~was in effect for the 2012–13 fiscal year pursuant to subdivision~~
9 ~~(e) shall remain in effect for the 2013–14 fiscal year until the first~~
10 ~~day of a month that is at least 60 days after the new family fee~~
11 ~~schedule developed pursuant to Section 8273 has been approved~~
12 ~~by the Department of Finance and adopted.~~

13 *SEC. 11. Section 8273.2 is added to the Education Code, to*
14 *read:*

15 *8273.2. Commencing with the 2014–15 fiscal year, the adopted*
16 *family fee schedule that was in effect on July 1, 2014, shall remain*
17 *in effect.*

18 *SEC. 12. Section 8278.3 of the Education Code is amended to*
19 *read:*

20 8278.3. (a) (1) The Child Care Facilities Revolving Fund is
21 hereby established in the State Treasury to provide funding for the
22 renovation, repair, or improvement of an existing building to make
23 the building suitable for licensure for child care and development
24 services and for the purchase of new relocatable child care facilities
25 for lease to ~~school districts~~ *local educational agencies* and
26 contracting agencies that provide child care and development
27 services, pursuant to this chapter. The Superintendent may transfer
28 state funds appropriated for child care facilities into this fund for
29 allocation to ~~school districts~~ *local educational agencies* and
30 contracting agencies, as specified, for the purchase, transportation,
31 and installation of facilities for replacement and expansion of
32 capacity. ~~School districts~~ *Local educational agencies* and
33 contracting agencies using facilities made available by the use of
34 these funds shall be charged a leasing fee, either at a fair market
35 value for those facilities or at an amount sufficient to amortize the
36 cost of purchase and relocation, whichever amount is lower, over
37 a 10-year period. Upon full repayment of the purchase and
38 relocation costs, title shall transfer from the State of California to
39 the ~~school district~~ *local educational agency* or contracting agency.

1 The Superintendent shall deposit all revenue derived from the lease
2 payments into the Child Care Facilities Revolving Fund.

3 (2) Notwithstanding Section 13340 of the Government Code,
4 all moneys in the fund, including moneys deposited from lease
5 payments, are continuously appropriated, without regard to fiscal
6 years, to the Superintendent for expenditure pursuant to this article.

7 (3) *Augmentations to the Child Care Facilities Revolving Fund*
8 *made in the Budget Act of 2014 shall be used for renovation or*
9 *repair of existing local educational agency facilities or new*
10 *relocatable child care facilities for lease to local educational*
11 *agencies that provide California state preschool program services*
12 *pursuant to this chapter.*

13 (b) On or before August 1 of each fiscal year, the Superintendent
14 shall submit to the Department of Finance and the Legislative
15 Analyst's Office a report detailing the number of funding requests
16 received and their purpose, the types of agencies that received
17 funding from the Child Care Facilities Revolving Fund, the
18 increased capacity that these facilities generated, a description of
19 the manner in which the facilities are being used, and a projection
20 of the lease payments collected and the funds available for future
21 use.

22 (c) ~~A school district or county office of education local~~
23 ~~educational agency~~ that provides child care pursuant to the
24 California School Age Families Education Program (Article 7.1
25 (commencing with Section 54740) of Chapter 9 of Part 29 of
26 Division 4 of Title 2) is eligible to apply for and receive funding
27 pursuant to this section.

28 SEC. 13. *Section 8363.1 is added to the Education Code, to*
29 *read:*

30 8363.1. (a) *On or before, July 1, 2016, the Commission on*
31 *Teacher Credentialing shall review, and update if appropriate,*
32 *the requirements for the issuance and renewal of permits*
33 *authorizing service in the care, development, and instruction of*
34 *children in child care and development programs and permits*
35 *authorizing supervision of a child care and development program.*

36 (b) *This section shall remain in effect only until January 1, 2017,*
37 *and as of that date is repealed, unless a later enacted statute, that*
38 *is enacted before January 1, 2017, deletes or extends that date.*

39 SEC. 14. *Section 8447 of the Education Code is amended to*
40 *read:*

1 8447. (a) The Legislature hereby finds and declares that greater
2 efficiencies may be achieved in the execution of state subsidized
3 child care and development program contracts with public and
4 private agencies by the timely approval of contract provisions by
5 the Department of Finance, the Department of General Services,
6 and the State Department of Education and by authorizing the State
7 Department of Education to establish a multiyear application,
8 contract expenditure, and service review as may be necessary to
9 provide timely service while preserving audit and oversight
10 functions to protect the public welfare.

11 (b) (1) The Department of Finance and the Department of
12 General Services shall approve or disapprove annual contract
13 funding terms and conditions, including both family fee schedules
14 and regional market rate schedules that are required to be adhered
15 to by contract, and contract face sheets submitted by the State
16 Department of Education not more than 30 working days from the
17 date of submission, unless unresolved conflicts remain between
18 the Department of Finance, the State Department of Education,
19 and the Department of General Services. The State Department of
20 Education shall resolve conflicts within an additional 30 working
21 day time period. Contracts and funding terms and conditions shall
22 be issued to child care contractors no later than June 1. Applications
23 for new child care funding shall be issued not more than 45
24 working days after the effective date of authorized new allocations
25 of child care moneys.

26 (2) Notwithstanding paragraph (1), *until January 1, 2015*, the
27 State Department of Education shall implement the regional market
28 rate schedules based upon the county aggregates, as determined
29 by the Regional Market survey conducted in 2005. *Commencing*
30 *January 1, 2015, the State Department of Education shall*
31 *implement the regional market rate schedules based upon the 85th*
32 *percentile of county aggregates, as determined by the Regional*
33 *Market survey conducted in 2009. Commencing January 1, 2015,*
34 *the regional market rate schedule developed pursuant to this*
35 *paragraph shall be reduced by 13 percent. If a ceiling for a county*
36 *is less than the ceiling provided for that county before January 1,*
37 *2015, the State Department of Education shall use the ceiling from*
38 *the Regional Market survey conducted in 2005.*

39 (3) It is the intent of the Legislature to fully fund the third stage
40 of child care for former CalWORKs recipients.

1 (c) With respect to subdivision (b), it is the intent of the
2 Legislature that the Department of Finance annually review
3 contract funding terms and conditions for the primary purpose of
4 ensuring consistency between child care contracts and the child
5 care budget. This review shall include evaluating any proposed
6 changes to contract language or other fiscal documents to which
7 the contractor is required to adhere, including those changes to
8 terms or conditions that authorize higher reimbursement rates, that
9 modify related adjustment factors, that modify administrative or
10 other service allowances, or that diminish fee revenues otherwise
11 available for services, to determine if the change is necessary or
12 has the potential effect of reducing the number of full-time
13 equivalent children that may be served.

14 (d) Alternative payment child care systems, as set forth in Article
15 3 (commencing with Section 8220), shall be subject to the rates
16 established in the Regional Market Rate Survey of California Child
17 Care Providers for provider payments. The State Department of
18 Education shall contract to conduct and complete a Regional
19 Market Rate Survey no more frequently than once every two years,
20 consistent with federal regulations, with a goal of completion by
21 March 1.

22 (e) By March 1 of each year, the Department of Finance shall
23 provide to the State Department of Education the state median
24 income amount for a four-person household in California based
25 on the best available data. The State Department of Education shall
26 adjust its fee schedule for child care providers to reflect this
27 updated state median income; however, no changes based on
28 revisions to the state median income amount shall be implemented
29 midyear.

30 (f) Notwithstanding the June 1 date specified in subdivision (b),
31 changes to the regional market rate schedules and fee schedules
32 may be made at any other time to reflect the availability of accurate
33 data necessary for their completion, provided these documents
34 receive the approval of the Department of Finance. The Department
35 of Finance shall review the changes within 30 working days of
36 submission and the State Department of Education shall resolve
37 conflicts within an additional 30 working day period. Contractors
38 shall be given adequate notice before the effective date of the
39 approved schedules. It is the intent of the Legislature that contracts

1 for services not be delayed by the timing of the availability of
2 accurate data needed to update these schedules.

3 *SEC. 15. Section 8450 of the Education Code is amended to*
4 *read:*

5 8450. (a) All child development contractors are encouraged
6 to develop and maintain a reserve within the child development
7 fund, derived from earned but unexpended funds. Child
8 development contractors may retain all earned funds. For ~~the~~
9 ~~purpose~~ purposes of this section, “earned funds” are those for
10 which the required number of eligible service units have been
11 provided.

12 (b) (1) Earned funds shall not be expended for any activities
13 proscribed by Section 8406.7. Earned but unexpended funds shall
14 remain in the contractor’s reserve account within the child
15 development fund and shall be expended only by direct service
16 child development programs that are funded under contract with
17 the department.

18 (2) (A) Commencing July 1, 2011, a contractor may retain a
19 reserve fund balance, separate from the reserve fund retained
20 pursuant to subdivision (c) or (d), equal to 5 percent of the sum of
21 the maximum reimbursable amounts of all contracts to which the
22 contractor is a party, or two thousand dollars (\$2,000), whichever
23 is greater. This paragraph applies to direct service child
24 development programs that are funded under contract with the
25 department.

26 (B) *A California state preschool program contracting agency*
27 *may retain in the reserve fund an additional 10 percent of the sum*
28 *of the maximum reimbursable amounts of all preschool contracts*
29 *to which the contracting agency is a party for purposes of*
30 *professional development for California state preschool program*
31 *instructional staff.*

32 (c) Notwithstanding subdivisions (a) and (b), a contractor may
33 retain a reserve fund balance for a resource and referral program,
34 separate from the balance retained pursuant to subdivision (b) or
35 (d), not to exceed 3 percent of the contract amount. Funds from
36 this reserve account may be expended only by resource and referral
37 programs that are funded under contract with the department.

38 (d) Notwithstanding subdivisions (a) and (b), a contractor may
39 retain a reserve fund balance for alternative payment model and
40 certificate child care contracts, separate from the reserve fund

1 retained pursuant to subdivisions (b) and (c). Funds from this
2 reserve account may be expended only by alternative payment
3 model and certificate child care programs that are funded under
4 contract with the department. The reserve amount allowed by this
5 section may not exceed either of the following, whichever is
6 greater:

7 (1) Two percent of the sum of the parts of each contract to which
8 that contractor is a party that is allowed for administration pursuant
9 to Section 8276.7 and that is allowed for supportive services
10 pursuant to the provisions of the contract.

11 (2) One thousand dollars (\$1,000).

12 (e) Each contractor's audit shall identify any funds earned by
13 the contractor for each contract through the provision of contracted
14 services in excess of funds expended.

15 (f) Any interest earned on reserve funds shall be included in the
16 fund balance of the reserve. This reserve fund shall be maintained
17 in an interest-bearing account.

18 (g) Moneys in a contractor's reserve fund may be used only for
19 expenses that are reasonable and necessary costs as defined in
20 subdivision (n) of Section 8208.

21 (h) Any reserve fund balance in excess of the amount authorized
22 pursuant to subdivisions (b), (c), and (d) shall be returned to the
23 department pursuant to procedures established by the department.

24 (i) Upon termination of all child development contracts between
25 a contractor and the department, all moneys in a contractor's
26 reserve fund shall be returned to the department pursuant to
27 procedures established by the department.

28 (j) Expenditures from, additions to, and balances in, the reserve
29 fund shall be included in the agency's annual financial statements
30 and audit.

31 *SEC. 16. Section 8499.5 of the Education Code is amended to*
32 *read:*

33 8499.5. (a) The department shall allocate child care funding
34 pursuant to Chapter 2 (commencing with Section 8200) based on
35 the amount of state and federal funding that is available.

36 (b) By May 30 of each year, upon approval by the county board
37 of supervisors and the county superintendent of schools, a local
38 planning council shall submit to the department the local priorities
39 it has identified that reflect all child care needs in the county. To

1 accomplish this, a local planning council shall do all of the
2 following:

3 (1) Conduct an assessment of child care needs in the county no
4 less *frequently* than once every five years. The department shall
5 define and prescribe data elements to be included in the needs
6 assessment and shall specify the format for the data reporting. The
7 needs assessment shall also include all factors deemed appropriate
8 by the local planning council in order to obtain an accurate picture
9 of the comprehensive child care needs in the county. The factors
10 include, but are not limited to, all of the following:

11 (A) The needs of families eligible for subsidized child care.

12 (B) The needs of families not eligible for subsidized child care.

13 (C) The waiting lists for programs funded by the department
14 and the State Department of Social Services.

15 (D) The need for child care for children determined by the child
16 protective services agency to be neglected, abused, or exploited,
17 or at risk of being neglected, abused, or exploited.

18 (E) The number of children in families receiving public
19 assistance, including CalFresh benefits, housing support, and
20 Medi-Cal, and assistance from the Healthy Families Program and
21 the Temporary Assistance for Needy Families (TANF) program.

22 (F) Family income among families with preschool or schoolage
23 children.

24 (G) The number of children in migrant agricultural families
25 who move from place to place for work or who are currently
26 dependent for their income on agricultural employment in
27 accordance with subdivision (a) of, and paragraphs (1) and (2) of
28 subdivision (b) of, Section 8231.

29 (H) The number of children who have been determined by a
30 regional center to require services pursuant to an individualized
31 family service plan, or by a local educational agency to require
32 services pursuant to an individualized education program or an
33 individualized family service plan.

34 (I) The number of children in the county by primary language
35 spoken pursuant to the department's language survey.

36 (J) Special needs based on geographic considerations, including
37 rural areas.

38 (K) The number of children needing child care services by age
39 cohort.

1 (2) Document information gathered during the needs assessment
2 which shall include, but need not be limited to, data on supply,
3 demand, cost, and market rates for each category of child care in
4 the county.

5 (3) Encourage public input in the development of the priorities.
6 Opportunities for public input shall include at least one public
7 hearing during which members of the public can comment on the
8 proposed priorities.

9 (4) Prepare a comprehensive countywide child care plan
10 designed to mobilize public and private resources to address
11 identified needs.

12 (5) Conduct a periodic review of child care programs funded
13 by the department and the State Department of Social Services to
14 determine if identified priorities are being met.

15 (6) Collaborate with subsidized and nonsubsidized child care
16 providers, county welfare departments, human service agencies,
17 regional centers, job training programs, employers, integrated child
18 and family service councils, local and state children and families
19 commissions, parent organizations, early start family resource
20 centers, family empowerment centers on disability, local child care
21 resource and referral programs, and other interested parties to
22 foster partnerships designed to meet local child care needs.

23 (7) Design a system to consolidate local child care waiting lists,
24 if a centralized eligibility list is not already in existence.

25 (8) Coordinate part-day programs, including state preschool
26 and Head Start, with other child care and development services to
27 provide full-day child care.

28 (9) Submit the results of the needs assessment and the local
29 priorities identified by the local planning council to the board of
30 supervisors and the county superintendent of schools for approval
31 before submitting them to the department.

32 (10) Identify at least one, but not more than two, members to
33 serve as part of the department team that reviews and scores
34 proposals for the provision of services funded through contracts
35 with the department. Local planning council representatives may
36 not review and score proposals from the geographic area covered
37 by their own local planning council. The department shall notify
38 each local planning council whenever this opportunity is available.

39 (c) The department shall, in conjunction with the State
40 Department of Social Services and all appropriate statewide

1 agencies and associations, develop guidelines for use by local
2 planning councils to assist them in conducting needs assessments
3 that are reliable and accurate. The guidelines shall include
4 acceptable sources of demographic and child care data, and
5 methodologies for assessing child care supply and demand.

6 (d) ~~The~~ *Except as otherwise required by subdivision (c) of*
7 *Section 8236, the department shall allocate funding within each*
8 *county in accordance with the priorities identified by the local*
9 *planning council of that county and submitted to the department*
10 *pursuant to this section, unless the priorities do not meet the*
11 *requirements of state or federal law.*

12 *SEC. 17. Section 14035 of the Education Code is repealed.*

13 ~~14035. (a) The county school service fund contingency account~~
14 ~~is hereby established in the General Fund. In each fiscal year the~~
15 ~~amount credited to the account shall be one hundred thousand~~
16 ~~dollars (\$100,000). Notwithstanding any provision of Section~~
17 ~~14002 to the contrary, the amount to be credited to the county~~
18 ~~school service fund contingency account each fiscal year shall not~~
19 ~~be transferred from the General Fund as required or authorized to~~
20 ~~be transferred by Section 14002, but the amounts required or~~
21 ~~authorized to be transferred by Section 14002 shall be reduced by~~
22 ~~the amount to be credited to the contingency account and shall~~
23 ~~remain in the General Fund to the credit of the contingency~~
24 ~~account.~~

25 ~~(b) The moneys in the General Fund to the credit of the~~
26 ~~contingency account shall be transferred by the Controller to the~~
27 ~~State School Fund in amounts as are certified from time to time~~
28 ~~by the Superintendent of Public Instruction to be necessary to meet~~
29 ~~actual costs to reimburse county superintendents of schools for~~
30 ~~expenses incurred in providing emergency education to pupils and~~
31 ~~making financial grants to school districts pursuant to Section~~
32 ~~1602, to reimburse county superintendents of schools for the actual~~
33 ~~and necessary travel expenses incurred in connection with~~
34 ~~cooperative county publication projects by the county~~
35 ~~superintendent of schools or members of his or her staff, and to~~
36 ~~reimburse county superintendents of schools for expenses incurred~~
37 ~~in making emergency financial grants to school districts.~~

38 ~~(c) The amount credited, pursuant to this section, in each fiscal~~
39 ~~year to the county school service fund contingency account in the~~
40 ~~General Fund shall be reduced by the amount of the balance~~

1 remaining to the account on June 30 of the preceding fiscal year
2 and an equal reduction shall be made in the amount of the reduction
3 in the amounts required or authorized to be transferred under
4 Section 14002 in accordance with this section.

5 *SEC. 18. Section 14041.5 of the Education Code is amended*
6 *to read:*

7 14041.5. (a) Notwithstanding subdivision (a) of Section 14041,
8 ~~commencing with~~ for the 2002–03 fiscal year, year to the 2013–14
9 fiscal year, inclusive, warrants for the principal apportionments
10 for the month of June instead shall be drawn in July of the same
11 calendar year pursuant to the certification made pursuant to Section
12 41335.

13 (b) Except as provided in subdivisions (c) and (d), for purposes
14 of making the computations required by Section 8 of Article XVI
15 of the California Constitution, the warrants drawn pursuant to
16 subdivision (a) shall be deemed to be “General Fund revenues
17 appropriated to school districts,” as defined in subdivision (c) of
18 Section 41202 for the fiscal year in which the warrants are drawn
19 and included within the “total allocations to school districts and
20 community college districts from General Fund proceeds of taxes
21 appropriated pursuant to Article XIII B” as defined in subdivision
22 (e) of Section 41202, for the fiscal year in which the warrants are
23 drawn.

24 (c) For the 2003–04 school year, the amount of apportionments
25 for revenue limits computed pursuant to Section 42238 from any
26 of the apportionments made pursuant to Section 14041 that are
27 deemed “General Fund revenues appropriated for school districts,”
28 as defined in subdivision (c) of Section 41202 for the following
29 fiscal year and included within the “total allocations to school
30 districts and community college districts from General Fund
31 proceeds of taxes appropriated pursuant to Article XIII B” as
32 defined in subdivision (e) of Section 41202, for the 2004–05 fiscal
33 year shall be seven hundred twenty-six million two hundred
34 seventy thousand dollars (\$726,270,000). Any amount in excess
35 of seven hundred twenty-six million two hundred seventy thousand
36 dollars (\$726,270,000) that is apportioned in July of 2004 is
37 deemed “General Fund revenues appropriated for school districts,”
38 as defined in subdivision (c) of Section 41202 for the 2003–04
39 fiscal year and included within the “total allocations to school
40 districts and community college districts from General Fund

proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2003–04 fiscal year.

(d) For the 2004–05 school year to the 2007–08 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000). Any amount in excess of seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

~~(e) For the 2008–09 school year, and each school year thereafter,~~
year to the 2013–14 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000). Any amount in excess of one billion one hundred one million six hundred fifty-five thousand dollars (\$1,101,655,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the

1 “total allocations to school districts and community college districts
2 from General Fund proceeds of taxes appropriated pursuant to
3 Article XIII B” as defined in subdivision (e) of Section 41202, for
4 the prior fiscal year.

5 *SEC. 19. Section 14041.6 of the Education Code is amended*
6 *to read:*

7 14041.6. (a) Notwithstanding subdivision (a) of Section 14041,
8 or any other law, for the 2008–09 fiscal ~~year~~ *year*, warrants for
9 the principal apportionments for the month of February in the
10 amount of two billion dollars (\$2,000,000,000) instead shall be
11 drawn in July of the same calendar year pursuant to the certification
12 made pursuant to Section 41339.

13 (b) Notwithstanding subdivision (a) of Section 14041, or any
14 other law, for the 2009–10 fiscal ~~year~~ *year*, warrants for the
15 principal apportionments for the month of February in the amount
16 of two billion dollars (\$2,000,000,000) instead shall be drawn in
17 July of the same calendar year and warrants for the month of April
18 in the amount of six hundred seventy-eight million six hundred
19 eleven thousand dollars (\$678,611,000) and for the month of May
20 in the amount of one billion dollars (\$1,000,000,000) instead shall
21 be drawn in August pursuant to the certification made pursuant to
22 Section 41339.

23 (c) Notwithstanding subdivision (a) of Section 14041, or any
24 other law, for the 2010–11 fiscal ~~year~~ *year*, warrants for the
25 principal apportionments for the month of February in the amount
26 of two billion dollars (\$2,000,000,000), for the month of April in
27 the amount of four hundred nineteen million twenty thousand
28 dollars (\$419,020,000), for the month of May in the amount of
29 eight hundred million dollars (\$800,000,000), and for the month
30 of June in the amount of five hundred million dollars
31 (\$500,000,000) instead shall be drawn in July of the same calendar
32 year and warrants for the month of April in the amount of six
33 hundred seventy-eight million six hundred eleven thousand dollars
34 (\$678,611,000) and for the month of May in the amount of one
35 billion dollars (\$1,000,000,000) instead shall be drawn in August
36 pursuant to the certification made pursuant to Section 41339.

37 (d) Notwithstanding subdivision (a) of Section 14041, or any
38 other law, for the 2011–12 fiscal ~~year~~ *year*, warrants for the
39 principal apportionments for the month of February in the amount
40 of two billion dollars (\$2,000,000,000), for the month of April in

1 the amount of four hundred nineteen million twenty thousand
2 dollars (\$419,020,000), for the month of May in the amount of
3 eight hundred million dollars (\$800,000,000), and for the month
4 of June in the amount of five hundred million dollars
5 (\$500,000,000) instead shall be drawn in July of the same calendar
6 year and warrants for the month of March in the amount of one
7 billion three hundred million dollars (\$1,300,000,000) and for the
8 month of April in the amount of one billion four hundred forty-two
9 million four hundred five thousand dollars (\$1,442,405,000) and
10 for the month of May in the amount of one billion dollars
11 (\$1,000,000,000) instead shall be drawn in August pursuant to the
12 certification made pursuant to Section 41339.

13 (e) Notwithstanding subdivision (a) of Section 14041, or any
14 other law, for the 2012–13 fiscal ~~year~~ *year*, warrants for the
15 principal apportionments for the month of February in the amount
16 of five hundred thirty-one million seven hundred twenty thousand
17 dollars (\$531,720,000), for the month of April in the amount of
18 five hundred ninety-four million seven hundred forty-eight
19 thousand dollars (\$594,748,000), for the month of May in the
20 amount of one billion nine hundred seventy-six million seven
21 hundred one thousand dollars (\$1,976,701,000), and for the month
22 of June in the amount of five hundred million dollars
23 (\$500,000,000) instead shall be drawn in July of the same calendar
24 year and warrants for the month of March in the amount of one
25 billion twenty-nine million four hundred ninety-three thousand
26 dollars (\$1,029,493,000) and for the month of April in the amount
27 of seven hundred sixty-three million seven hundred ninety-four
28 thousand dollars (\$763,794,000) instead shall be drawn in August
29 pursuant to the certification made pursuant to Section 41339.

30 (f) Notwithstanding subdivision (a) of Section 14041, or any
31 ~~other law, commencing with law, for~~ the 2013–14 fiscal year,
32 warrants for the principal apportionments for the month of April
33 in the amount of nine hundred seventeen million five hundred
34 forty-two thousand dollars (\$917,542,000), for the month of May
35 in the amount of two billion one hundred fifty-two million four
36 hundred thirty thousand dollars (\$2,152,430,000), and for the
37 month of June in the amount of five hundred million dollars
38 (\$500,000,000) instead shall be drawn in July of the same calendar
39 year pursuant to the certification made pursuant to Section 41339.

(g) Notwithstanding subdivision (a) of Section ~~14041~~ 14041, or any other law, ~~commencing with~~ for the 2013–14 fiscal year, warrants for the principal apportionments for the month of May in the amount of two hundred million dollars (\$200,000,000) and for the month of June in the amount of six hundred ninety-nine million four hundred seventy-three thousand dollars (\$699,473,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339. The Superintendent shall allocate this deferred amount and repayment to local educational agencies based on their proportionate share of funding appropriated to local educational agencies pursuant to Section 92 of Chapter 38 of the Statutes of 2012.

(h) Notwithstanding subdivision (a) of Section 14041, or any other law, for the 2014–15 fiscal year, warrants for the principal apportionments for the month of June in the amount of eight hundred ninety-seven million one hundred eighty-four thousand dollars (\$897,184,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

~~(h)~~
(i) Except as provided in subdivisions (c) and (e) of Section 41202, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants drawn pursuant to subdivisions (a) to ~~(g)~~, (h), inclusive, shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the fiscal year in which the warrants are drawn and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

~~(i)~~
(j) Notwithstanding subdivision ~~(h)~~, (i), for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, one billion five hundred ninety million four hundred forty-nine thousand dollars (\$1,590,449,000) of the warrants drawn in August of 2013 pursuant to subdivision (e) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the 2012–13 fiscal year, and included within the “total allocations to

1 school districts and community college districts from General Fund
2 proceeds of taxes appropriated pursuant to Article XIII B,” as
3 defined in subdivision (e) of Section 41202, for the 2012–13 fiscal
4 year.

5 *(k) Notwithstanding subdivision (i) of this section and*
6 *subdivision (e) of Section 14041.5, for purposes of making the*
7 *computations required by Section 8 of Article XVI of the California*
8 *Constitution, one billion two hundred ninety-four million seven*
9 *hundred twenty thousand dollars (\$1,294,720,000) of the warrants*
10 *drawn in July 2014 pursuant to subdivisions (f) and (g) of this*
11 *section and subdivision (e) of Section 14041.5 shall be deemed to*
12 *be “General Fund revenues appropriated for school districts,” as*
13 *defined in subdivision (c) of Section 41202, for the 2012–13 fiscal*
14 *year, and included within the “total allocations to school districts*
15 *and community college districts from General Fund proceeds of*
16 *taxes appropriated pursuant to Article XIII B,” as defined in*
17 *subdivision (e) of Section 41202, for the 2012–13 fiscal year.*

18 *(l) Notwithstanding subdivision (i) of this section and subdivision*
19 *(e) of Section 14041.5, for purposes of making the computations*
20 *required by Section 8 of Article XVI of the California Constitution,*
21 *two billion seven hundred eighty million five hundred twenty-six*
22 *thousand dollars (\$2,780,526,000) of the warrants drawn in July*
23 *2014 pursuant to subdivisions (f) and (g) of this section and*
24 *subdivision (e) of Section 14041.5 shall be deemed to be “General*
25 *Fund revenues appropriated for school districts,” as defined in*
26 *subdivision (c) of Section 41202, for the 2013–14 fiscal year, and*
27 *included within the “total allocations to school districts and*
28 *community college districts from General Fund proceeds of taxes*
29 *appropriated pursuant to Article XIII B,” as defined in subdivision*
30 *(e) of Section 41202, for the 2013–14 fiscal year.*

31 SEC. 20. Section 17080 of the Education Code is amended to
32 read:

33 17080. ~~(a)~~ Notwithstanding any other ~~provision~~ of law,
34 whenever moneys transferred to the General Fund each year from
35 (1) moneys deposited in the Public School Building Loan Fund
36 pursuant to Section 15735, and (2) moneys deposited in the State
37 School Building Aid Fund pursuant to Section 16080, are in excess
38 of the amounts required to reimburse the General Fund on account
39 of principal and interest due and payable for that fiscal year on all
40 school building aid bonds outstanding against the state, an amount

1 equal to such excess is appropriated from the General Fund for
2 purposes of the ~~Leroy F. Greene State School Building~~
3 ~~Lease-Purchase Law of 1976 (Chapter 12 (commencing with~~
4 ~~Section 17000)) and Section 17584. The Controller shall transfer,~~
5 ~~as directed by the State Allocation Board, such appropriated~~
6 ~~amount to the State School Building Lease-Purchase Fund and to~~
7 ~~the State School Deferred Maintenance Fund, which is hereby~~
8 ~~established. School Facilities Emergency Repair Account~~
9 ~~established pursuant to Section 17592.71. The Controller shall~~
10 ~~transfer the appropriated amount to the School Facilities~~
11 ~~Emergency Repair Account.~~

12 ~~(b) In addition to the amount transferred pursuant to subdivision~~
13 ~~(a), the Controller shall transfer annually from the General Fund~~
14 ~~to the State School Deferred Maintenance Fund an amount equal~~
15 ~~to any amount transferred to or deposited in the General Fund as~~
16 ~~a result of repayment of any loan made by the board pursuant to~~
17 ~~Section 17005.15.~~

18 ~~(c) Notwithstanding Section 13340 of the Government Code,~~
19 ~~the State School Deferred Maintenance Fund is continuously~~
20 ~~appropriated for the purposes for which it is established.~~

21 *SEC. 21. Section 24214 of the Education Code, as amended*
22 *by Section 28 of Chapter 559 of the Statutes of 2013, is amended*
23 *to read:*

24 24214. (a) A member retired for service under this part may
25 perform retired member activities, but the member shall not make
26 contributions to the retirement fund or accrue service credit based
27 on compensation earned from that service. The employer shall
28 maintain accurate records of the earnings of the retired member
29 and report those earnings monthly to the system and retired member
30 as described in Section 22461.

31 (b) If a member is retired for service under this part, the
32 annualized rate of pay for retired member activities, performed by
33 that member shall not be less than the minimum, nor exceed the
34 maximum, paid by the employer to other employees performing
35 comparable duties.

36 (c) A member retired for service under this part shall not be
37 required to reinstate for performing retired member activities.

38 (d) A member retired for service under this part may earn
39 compensation for performing retired member activities in any one

1 school year up to the limitation specified in subdivision (f) without
2 a reduction in his or her retirement allowance.

3 (e) The postretirement compensation limitation provisions set
4 forth in this section are not applicable to compensation earned for
5 the performance of retired member activities that are not wholly
6 or in part supported by state, local, or federal funds.

7 (f) (1) The limitation that shall apply to the compensation paid
8 in cash to the retired member for performance of retired member
9 activities, excluding reimbursements paid by an employer for
10 expenses incurred by the member in which payment of the expenses
11 by the member is substantiated, shall, in any one school year, be
12 an amount calculated by the system each July 1 equal to one-half
13 of the median final compensation of all members who retired for
14 service during the fiscal year ending in the previous calendar year.

15 (2) For written agreements pertaining to the performance of
16 retired member activities entered into, extended, renewed, or
17 amended on or after January 1, 2014, the limitation in paragraph
18 (1) shall also apply to payments, including, but not limited to,
19 those for participation in a deferred compensation plan; to purchase
20 an annuity contract, tax-deferred retirement plan, or insurance
21 program; and for contributions to a plan that meets the requirements
22 of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title
23 26 of the United States Code when the cost is covered by an
24 employer.

25 (g) If a member retired for service under this part earns
26 compensation for performing retired member activities, in excess
27 of the limitation specified in subdivision (f), and if that
28 compensation is not exempt from that limitation under subdivision
29 (e) or (h) or any other law, the member's retirement allowance
30 shall be reduced by the amount of the excess compensation. The
31 amount of the reduction may be equal to the monthly allowance
32 payable but shall not exceed the amount of the annual allowance
33 payable under this part for the fiscal year in which the excess
34 compensation was earned after any reduction made in accordance
35 with subdivision (h) of Section 24214.5.

36 (h) The limitation specified in this section is not applicable to
37 compensation paid to a member retired for service under this part
38 who has returned to work after the date of retirement:

39 (1) As a trustee appointed by the Superintendent of Public
40 Instruction pursuant to Section 41320.1.

1 (2) As a fiscal adviser or fiscal expert appointed by a county
2 superintendent of schools pursuant to Article 2 (commencing with
3 Section 42122) of Chapter 6 of Part 24 of Division 3 of Title 2.

4 (3) As a receiver or trustee appointed by the ~~State Board of~~
5 ~~Education~~ *state board* pursuant to Article 3.1 (commencing with
6 Section 52055.57) of Chapter 6.1 of Part 28 of Division 4 of Title
7 2.

8 (4) As a special trustee appointed by the Board of Governors
9 of the California Community Colleges pursuant to Section 84040.

10 (i) ~~The Superintendent of Public Instruction, Superintendent,~~
11 the Executive Director of the State Board of Education, the
12 Chancellor of the California Community Colleges, or the county
13 superintendent of schools exercising the exemption pursuant to
14 subdivision (h) shall submit all documentation required by the
15 system to substantiate the eligibility of the retired member for the
16 exemption, including compliance with subdivisions (j) and (k).
17 The documentation shall be received by the system prior to the
18 retired member's performance of retired member activities.

19 (j) Subdivision (h) shall not apply to a retired member who has
20 not attained normal retirement age at the time the compensation
21 is earned by the member, received additional service credit pursuant
22 to Section 22714 or 22715, or received from any public employer
23 any financial inducement to retire in the previous six months. For
24 purposes of this section and Section 24214.5, "financial inducement
25 to retire" includes, but is not limited to, any form of compensation
26 or other payment that is paid directly or indirectly by a public
27 employer to the member, even if not in cash, either before or after
28 retirement, if the member retires for service on or before a specific
29 date or specific range of dates established by the public employer
30 on or before the date the inducement is offered. The system shall
31 liberally interpret this subdivision to further the Legislature's intent
32 to make subdivision (h) inapplicable to members if the member
33 received a financial incentive from any public employer to retire
34 or otherwise terminate employment with the public employer.

35 (k) The documentation required for subdivision (i) shall include
36 certification of the following:

37 (1) The position was first advertised for appointment to current
38 active or inactive members of the program with the necessary
39 qualifications to perform the requirements of the position and no

1 qualified current active or inactive member was available to be
2 appointed.

3 (2) The appointing authority made a good faith effort to hire a
4 retired member who reinstated to active membership for the
5 position at the same salary that was offered as first advertised
6 pursuant to paragraph (1).

7 (3) The appointing authority, having tried and failed to hire a
8 current active or inactive member or a reinstated retired member,
9 hired a retired member and the salary offered to the retired member
10 subject to this paragraph does not exceed the salary that was offered
11 as first advertised pursuant to paragraph (1).

12 (4) The salary paid shall be no greater than the salary offered
13 to current active members for the appointed position.

14 (l) The amendments to this section enacted during the 1995–96
15 Regular Session shall be deemed to have become operative on July
16 1, 1996.

17 (m) The amendments to this section enacted during the second
18 year of the 2011–12 Regular Session shall apply to compensation
19 paid during the 2012–13 and 2013–14 fiscal years.

20 (n) The amendments to this section enacted during the first year
21 of the 2013–14 Regular Session shall apply to compensation paid
22 on or after January 1, 2014.

23 (o) This section shall become inoperative on July 1, ~~2014~~, 2017,
24 and, as of January 1, ~~2015~~, 2018, is repealed, unless a later enacted
25 statute, that becomes operative on or before January 1, ~~2015~~, 2018,
26 deletes or extends the dates on which it becomes inoperative and
27 is repealed.

28 *SEC. 22. Section 24214 of the Education Code, as amended*
29 *by Section 29 of Chapter 559 of the Statutes of 2013, is amended*
30 *to read:*

31 24214. (a) A member retired for service under this part may
32 perform retired member activities, but the member shall not make
33 contributions to the retirement fund or accrue service credit based
34 on compensation earned from that service. The employer shall
35 maintain accurate records of the earnings of the retired member
36 and report those earnings monthly to the system and retired member
37 as described in Section 22461.

38 (b) If a member is retired for service under this part, the
39 annualized rate of pay for retired member activities performed by
40 that member shall not be less than the minimum, nor exceed the

1 maximum, paid by the employer to other employees performing
2 comparable duties.

3 (c) A member retired for service under this part shall not be
4 required to reinstate for performing retired member activities.

5 (d) A member retired for service under this part may earn
6 compensation for performing retired member activities in any one
7 school year up to the limitation specified in subdivision (f) without
8 a reduction in his or her retirement allowance.

9 (e) The postretirement compensation limitation provisions set
10 forth in this section are not applicable to compensation earned for
11 the performance of retired member activities that are not wholly
12 or in part supported by state, local, or federal funds.

13 (f) (1) The limitation that shall apply to the compensation paid
14 in cash to the retired member for performance of retired member
15 activities, excluding reimbursements paid by an employer for
16 expenses incurred by the member in which payment of the expenses
17 by the member is substantiated, shall, in any one school year, be
18 an amount calculated by the system each July 1 equal to one-half
19 of the median final compensation of all members who retired for
20 service during the fiscal year ending in the previous calendar year.

21 (2) For written agreements pertaining to the performance of
22 retired member activities entered into, extended, renewed, or
23 amended on or after January 1, 2014, the limitation in paragraph
24 (1) shall also apply to payments, including, but not limited to,
25 those for participation in a deferred compensation plan; to purchase
26 an annuity contract, tax-deferred retirement plan, or insurance
27 program; and for contributions to a plan that meets the requirements
28 of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title
29 26 of the United States Code when the cost is covered by an
30 employer.

31 (g) If a member retired for service under this part earns
32 compensation for performing retired member activities, in excess
33 of the limitation specified in subdivision (f), the member's
34 retirement allowance shall be reduced by the amount of the excess
35 compensation. The amount of the reduction may be equal to the
36 monthly allowance payable but may not exceed the amount of the
37 annual allowance payable under this part for the fiscal year in
38 which the excess compensation was earned after any reduction
39 made in accordance with subdivision (h) of Section 24214.5.

(h) The language of this section derived from the amendments to the section of this number added by Chapter 394 of the Statutes of 1995, enacted during the 1995–96 Regular Session, is deemed to have become operative on July 1, 1996.

(i) This section shall become operative on July 1, ~~2014~~ 2017.

SEC. 23. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other law, this section does not apply to the 1992–93 to ~~2013–14~~ 2014–15 fiscal years, inclusive.

SEC. 24. Section 41207.3 of the Education Code, as added by Section 4 of Chapter 3 of the 4th Extraordinary Session of the Statutes of 2009, is amended to read:

41207.3. (a) Notwithstanding Section 41206, the minimum state educational funding obligation for school districts and community college districts pursuant to subdivision (b) of Section

8 of Article XVI of the California Constitution is determined to be the following:

(1) Fifty-three billion three hundred forty-five million four hundred twenty thousand dollars (\$53,345,420,000) for the 2005–06 fiscal year, with an outstanding balance of one billion one hundred ten million five hundred sixteen thousand dollars (\$1,110,516,000). The outstanding balance is appropriated and allocated pursuant to Article 3.7 (commencing with Section 52055.700) of Chapter 6.1 of Part 28.

(2) Fifty-five billion two hundred fifty-one million two hundred sixty-six thousand dollars (\$55,251,266,000) for the 2006–07 fiscal year, with an outstanding balance of two hundred eleven million five hundred thirty-three thousand dollars (\$211,533,000). Commencing with the ~~2014–15~~ 2015–16 fiscal year, the Legislature shall appropriate the outstanding balance and specify in the annual Budget Act or other statute making ~~such~~ *those* appropriations that the funds shall be used for any one-time purpose so long as those appropriations are made for allocation to school districts or community college districts.

(3) Fifty-six billion five hundred seventy-seven million four hundred ninety-one thousand dollars (\$56,577,491,000) for the 2007–08 fiscal year, with no outstanding balance.

(b) (1) The amount determined pursuant to paragraph (1) of subdivision (a) ~~of this section~~ shall be deemed certified for purposes of Section 41206 when the conditions set forth in subdivision (c) of Section 41207.1 are met.

(2) The amount determined pursuant to paragraph (2) of subdivision (a) ~~of this section~~ shall be deemed certified for purposes of Section 41206 upon appropriation of the full amount of the outstanding balance determined for that year.

(3) The amount determined pursuant to paragraph (3) of subdivision (a) ~~of this section~~ is deemed to be certified for purposes of Section 41206 upon enactment of this section.

SEC. 25. Section 41841.9 is added to the Education Code, to read:

41841.9. (a) For the 2014–15 fiscal year, this article shall apply to a charter school whose charter was granted by its chartering authority after July 1, 2014.

(b) This section shall become inoperative on July 1, 2015, and, as of January 1, 2016, is repealed, unless a later enacted statute,

1 *that becomes operative on or before January 1, 2016, deletes or*
2 *extends the dates on which it becomes inoperative and is repealed.*

3 *SEC. 26. Section 42127 of the Education Code is amended to*
4 *read:*

5 42127. (a) On or before July 1 of each year, the governing
6 board of each school district shall accomplish the following:

7 (1) Hold a public hearing on the budget to be adopted for the
8 subsequent fiscal year. The budget to be adopted shall be prepared
9 in accordance with Section 42126. The agenda for that hearing
10 shall be posted at least 72 hours before the public hearing and shall
11 include the location where the budget will be available for public
12 inspection.

13 (A) For the 2011–12 fiscal year, notwithstanding any of the
14 standards and criteria adopted by the state board pursuant to Section
15 33127, each school district budget shall project the same level of
16 revenue per unit of average daily attendance as it received in the
17 2010–11 fiscal year and shall maintain staffing and program levels
18 commensurate with that level.

19 (B) For the 2011–12 fiscal year, the school district shall not be
20 required to demonstrate that it is able to meet its financial
21 obligations for the two subsequent fiscal years.

22 (2) (A) Adopt a budget. Not later than five days after that
23 adoption or by July 1, whichever occurs first, the governing board
24 of the school district shall file that budget with the county
25 superintendent of schools. The budget and supporting data shall
26 be maintained and made available for public review. If the
27 governing board of the school district does not want all or a portion
28 of the property tax requirement levied for the purpose of making
29 payments for the interest and redemption charges on indebtedness
30 as described in paragraph (1) or (2) of subdivision (b) of Section
31 1 of Article XIII A of the California Constitution, the budget shall
32 include a statement of the amount or portion for which a levy shall
33 not be made. For the 2014–15 fiscal year and each fiscal year
34 thereafter, the governing board of the school district shall not adopt
35 a budget before the governing board of the school district adopts
36 a local control and accountability plan, if an existing local control
37 and accountability plan or annual update to a local control and
38 accountability plan is not effective for the budget year. The
39 governing board of a school district shall not adopt a budget that
40 does not include the expenditures necessary to implement the local

1 control and accountability plan or the annual update to a local
2 control and accountability plan that is effective during the
3 subsequent fiscal year.

4 *(B) Commencing with budgets adopted for the 2015–16 fiscal*
5 *year, the governing board of a school district that proposes to*
6 *adopt a budget, or revise a budget pursuant to subdivision (e),*
7 *that includes a combined assigned and unassigned ending fund*
8 *balance in excess of the minimum recommended reserve for*
9 *economic uncertainties adopted by the state board pursuant to*
10 *subdivision (a) of Section 33128, shall, at the public hearing held*
11 *pursuant to paragraph (1), provide all of the following for public*
12 *review and discussion:*

13 *(i) The minimum recommended reserve for economic*
14 *uncertainties for each fiscal year identified in the budget.*

15 *(ii) The combined assigned and unassigned ending fund balances*
16 *that are in excess of the minimum recommended reserve for*
17 *economic uncertainties for each fiscal year identified in the budget.*

18 *(iii) A statement of reasons that substantiates the need for an*
19 *assigned and unassigned ending fund balance that is in excess of*
20 *the minimum recommended reserve for economic uncertainties*
21 *for each fiscal year that the school district identifies an assigned*
22 *and unassigned ending fund balance that is in excess of the*
23 *minimum recommended reserve for economic uncertainties, as*
24 *identified pursuant to clause (ii).*

25 *(C) The governing board of a school district shall include the*
26 *information required pursuant to subparagraph (B) in its budgetary*
27 *submission each time it files an adopted or revised budget with*
28 *the county superintendent of schools. The information required*
29 *pursuant to subparagraph (B) shall be maintained and made*
30 *available for public review.*

31 *(b) The county superintendent of schools may accept changes*
32 *in any statement included in the budget, pursuant to subdivision*
33 *(a), of the amount or portion for which a property tax levy shall*
34 *not be made. The county superintendent of schools or the county*
35 *auditor shall compute the actual amounts to be levied on the*
36 *property tax rolls of the school district for purposes that exceed*
37 *apportionments to the school district pursuant to Chapter 6*
38 *(commencing with Section 95) of Part 0.5 of Division 1 of the*
39 *Revenue and Taxation Code. Each school district shall provide all*
40 *data needed by the county superintendent of schools or the county*

1 auditor to compute the amounts. On or before August 15, the
2 county superintendent of schools shall transmit the amounts
3 computed to the county auditor who shall compute the tax rates
4 necessary to produce the amounts. On or before September 1, the
5 county auditor shall submit the rate computed to the board of
6 supervisors for adoption.

7 (c) The county superintendent of schools shall do all of the
8 following:

9 (1) Examine the adopted budget to determine whether it
10 complies with the standards and criteria adopted by the state board
11 pursuant to Section 33127 for application to final local educational
12 agency budgets. The county superintendent of schools shall
13 identify, if necessary, technical corrections that are required to be
14 made to bring the budget into compliance with those standards
15 and criteria.

16 (2) Determine whether the adopted budget will allow the school
17 district to meet its financial obligations during the fiscal year and
18 is consistent with a financial plan that will enable the school district
19 to satisfy its multiyear financial commitments. In addition to his
20 or her own analysis of the budget of each school district, the county
21 superintendent of schools shall review and consider studies, reports,
22 evaluations, or audits of the school district that were commissioned
23 by the school district, the county superintendent of schools, the
24 Superintendent, and state control agencies and that contain
25 evidence that the school district is showing fiscal distress under
26 the standards and criteria adopted in Section 33127 or that contain
27 a finding by an external reviewer that more than 3 of the 15 most
28 common predictors of a school district needing intervention, as
29 determined by the County Office Fiscal Crisis and Management
30 Assistance Team, are present. The county superintendent of schools
31 shall either conditionally approve or disapprove a budget that does
32 not provide adequate assurance that the school district will meet
33 its current and future obligations and resolve any problems
34 identified in studies, reports, evaluations, or audits described in
35 this paragraph.

36 (3) Determine whether the adopted budget includes the
37 expenditures necessary to implement the local control and
38 accountability plan or annual update to the local control and
39 accountability plan approved by the county superintendent of
40 schools.

1 (4) *Determine whether the adopted budget includes a combined*
2 *assigned and unassigned ending fund balance that exceeds the*
3 *minimum recommended reserve for economic uncertainties. If the*
4 *adopted budget includes a combined assigned and unassigned*
5 *ending fund balance that exceeds the minimum recommended*
6 *reserve for economic uncertainties, the county superintendent of*
7 *schools shall verify that the school district complied with the*
8 *requirements of subparagraphs (B) and (C) of paragraph (2) of*
9 *subdivision (a).*

10 (d) (1) On or before August 15, the county superintendent of
11 schools shall approve, conditionally approve, or disapprove the
12 adopted budget for each school district. For the 2014–15 fiscal
13 year and each fiscal year thereafter, the county superintendent of
14 schools shall disapprove a budget if the county superintendent of
15 schools determines that the budget does not include the
16 expenditures necessary to implement a local control and
17 accountability plan or an annual update to the local control and
18 accountability plan approved by the county superintendent of
19 schools. If a school district does not submit a budget to the county
20 superintendent of schools, the county superintendent of schools
21 shall develop, at school district expense, a budget for that school
22 district by September 15 and transmit that budget to the governing
23 board of the school district. The budget prepared by the county
24 superintendent of schools shall be deemed adopted, unless the
25 county superintendent of schools approves any modifications made
26 by the governing board of the school district. *The budget prepared*
27 *by the county superintendent of schools shall also comply with the*
28 *requirements of subparagraph (B) of paragraph (2) of subdivision*
29 *(a).* The approved budget shall be used as a guide for the school
30 district's priorities. The Superintendent shall review and certify
31 the budget approved by the county. If, pursuant to the review
32 conducted pursuant to subdivision (c), the county superintendent
33 of schools determines that the adopted budget for a school district
34 does not satisfy paragraph (1), (2), ~~or (3)~~ (3), *or* (4) of that
35 subdivision, he or she shall conditionally approve or disapprove
36 the budget and, not later than August 15, transmit to the governing
37 board of the school district, in writing, his or her recommendations
38 regarding revision of the budget and the reasons for those
39 recommendations, including, but not limited to, the amounts of
40 any budget adjustments needed before he or she can approve that

1 budget. The county superintendent of schools may assign a fiscal
2 adviser to assist the school district to develop a budget in
3 compliance with those revisions. In addition, the county
4 superintendent of schools may appoint a committee to examine
5 and comment on the superintendent's review and recommendations,
6 subject to the requirement that the committee report its findings
7 to the county superintendent of schools no later than August 20.
8 For the 2011–12 fiscal year, notwithstanding any of the standards
9 and criteria adopted by the state board pursuant to Section 33127,
10 the county superintendent of schools, as a condition on approval
11 of a school district budget, shall not require a school district to
12 project a lower level of revenue per unit of average daily attendance
13 than it received in the 2010–11 fiscal year nor require the school
14 district to demonstrate that it is able to meet its financial obligations
15 for the two subsequent fiscal years.

16 (2) Notwithstanding any other provision of this article, for the
17 2014–15 fiscal year and each fiscal year thereafter, the budget
18 shall not be adopted or approved by the county superintendent of
19 schools before a local control and accountability plan or update to
20 an existing local control and accountability plan for the budget
21 year is approved.

22 (e) On or before September 8, the governing board of the school
23 district shall revise the adopted budget to reflect changes in
24 projected income or expenditures subsequent to July 1, and to
25 include any response to the recommendations of the county
26 superintendent of schools, shall adopt the revised budget, and shall
27 file the revised budget with the county superintendent of schools.
28 Before revising the budget, the governing board of the school
29 district shall hold a public hearing regarding the proposed revisions,
30 to be conducted in accordance with Section 42103. In addition, if
31 the adopted budget is disapproved pursuant to subdivision (d), the
32 governing board of the school district and the county
33 superintendent of schools shall review the disapproval and the
34 recommendations of the county superintendent of schools regarding
35 revision of the budget at the public hearing. The revised budget
36 and supporting data shall be maintained and made available for
37 public review.

38 (1) For the 2011–12 fiscal year, notwithstanding any of the
39 standards and criteria adopted by the state board pursuant to Section
40 33127, each school district budget shall project the same level of

revenue per unit of average daily attendance as it received in the 2010–11 fiscal year and shall maintain staffing and program levels commensurate with that level.

(2) For the 2011–12 fiscal year, the school district shall not be required to demonstrate that it is able to meet its financial obligations for the two subsequent fiscal years.

(f) On or before September 22, the county superintendent of schools shall provide a list to the Superintendent identifying all school districts for which budgets may be disapproved.

(g) (1) The county superintendent of schools shall examine the revised budget to determine whether it ~~(1) (A)~~ complies with the standards and criteria adopted by the state board pursuant to Section 33127 for application to final local educational agency budgets, ~~(2) (B)~~ allows the school district to meet its financial obligations during the fiscal year, ~~(3) (C)~~ satisfies all conditions established by the county superintendent of schools in the case of a conditionally approved budget, ~~and (4) (D)~~ is consistent with a financial plan that will enable the school district to satisfy its multiyear financial commitments, and, not later than October 8, shall approve or disapprove the revised ~~budget.~~ *budget, and (E) whether the revised budget complies with the requirements of subparagraph (B) of paragraph (2) of subdivision (a).* If the county superintendent of schools disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the department approves the waiver after determining that a budget review committee is not necessary. Upon the grant of a waiver, the county superintendent of schools immediately has the authority and responsibility provided in Section 42127.3. Upon approving a waiver of the budget review committee, the department shall ensure that a balanced budget is adopted for the school district by November 30. If no budget is adopted by November 30, the Superintendent may adopt a budget for the school district. The Superintendent shall report to the Legislature and the Director of Finance by December 10 if any school district, including a school district that has received a waiver of the budget review committee process, does not have an adopted budget by November 30. This report shall include the reasons why a budget has not been adopted

1 by the deadline, the steps being taken to finalize budget adoption,
2 the date the adopted budget is anticipated, and whether the
3 Superintendent has or will exercise his or her authority to adopt a
4 budget for the school district. For the 2011–12 fiscal year,
5 notwithstanding any of the standards and criteria adopted by the
6 state board pursuant to Section 33127, the county superintendent
7 of schools, as a condition on approval of a school district budget,
8 shall not require a school district to project a lower level of revenue
9 per unit of average daily attendance than it received in the 2010–11
10 fiscal year nor require the school district to demonstrate that it is
11 able to meet its financial obligations for the two subsequent fiscal
12 years.

13 (2) Notwithstanding any other law, for the 2014–15 fiscal year
14 and each fiscal year thereafter, if the county superintendent of
15 schools disapproves the budget for the sole reason that the county
16 superintendent of schools has not approved a local control and
17 accountability plan or an annual update to the local control and
18 accountability plan filed by the school district pursuant to Section
19 52061, the county superintendent of schools shall not call for the
20 formation of a budget review committee pursuant to Section
21 42127.1.

22 (h) Not later than October 8, the county superintendent of
23 schools shall submit a report to the Superintendent identifying all
24 school districts for which budgets have been disapproved or budget
25 review committees waived. The report shall include a copy of the
26 written response transmitted to each of those school districts
27 pursuant to paragraph (1) of subdivision (d).

28 (i) Notwithstanding any other provision of this section, the
29 budget review for a school district shall be governed by paragraphs
30 (1), (2), and (3), rather than by subdivisions (e) and (g), if the
31 governing board of the school district so elects and notifies the
32 county superintendent of schools in writing of that decision, not
33 later than October 31 of the immediately preceding calendar year.
34 On or before July 1, the governing board of a school district for
35 which the budget review is governed by this subdivision, rather
36 than by subdivisions (e) and (g), shall conduct a public hearing
37 regarding its proposed budget in accordance with Section 42103.

38 (1) If the adopted budget of a school district is disapproved
39 pursuant to subdivision (d), on or before September 8, the
40 governing board of the school district, in conjunction with the

1 county superintendent of schools, shall review the superintendent's
2 recommendations at a regular meeting of the governing board of
3 the school district and respond to those recommendations. The
4 response shall include any revisions to the adopted budget and
5 other proposed actions to be taken, if any, as a result of those
6 recommendations.

7 (2) On or before September 22, the county superintendent of
8 schools shall provide a list to the Superintendent identifying all
9 school districts for which a budget may be tentatively disapproved.

10 (3) Not later than October 8, after receiving the response
11 required under paragraph (1), the county superintendent of schools
12 shall review that response and either approve or disapprove the
13 budget. Except as provided in paragraph (2) of subdivision (g), if
14 the county superintendent of schools disapproves the budget, he
15 or she shall call for the formation of a budget review committee
16 pursuant to Section 42127.1, unless the governing board of the
17 school district and the county superintendent of schools agree to
18 waive the requirement that a budget review committee be formed
19 and the department approves the waiver after determining that a
20 budget review committee is not necessary. Upon the grant of a
21 waiver, the county superintendent has the authority and
22 responsibility provided to a budget review committee in Section
23 42127.3. Upon approving a waiver of the budget review committee,
24 the department shall ensure that a balanced budget is adopted for
25 the school district by November 30. The Superintendent shall
26 report to the Legislature and the Director of Finance by December
27 10 if any school district, including a school district that has received
28 a waiver of the budget review committee process, does not have
29 an adopted budget by November 30. This report shall include the
30 reasons why a budget has not been adopted by the deadline, the
31 steps being taken to finalize budget adoption, and the date the
32 adopted budget is anticipated. For the 2011–12 fiscal year,
33 notwithstanding any of the standards and criteria adopted by the
34 state board pursuant to Section 33127, the county superintendent
35 of schools, as a condition on approval of a school district budget,
36 shall not require a school district to project a lower level of revenue
37 per unit of average daily attendance than it received in the 2010–11
38 fiscal year nor require the school district to demonstrate that it is
39 able to meet its financial obligations for the two subsequent fiscal
40 years.

(4) Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

(j) Any school district for which the county board of education serves as the governing board of the school district is not subject to subdivisions (c) to (h), inclusive, but is governed instead by the budget procedures set forth in Section 1622.

SEC. 27. *Section 42127.01 is added to the Education Code, to read:*

42127.01. (a) In a fiscal year immediately after a fiscal year in which a transfer is made into the Public School System Stabilization Account, a school district budget that is adopted or revised pursuant to Section 42127 shall not contain a combined assigned or unassigned ending fund balance that is in excess of the following:

(1) For school districts with fewer than 400,000 units of average daily attendance, the sum of the school district's applicable minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, multiplied by two.

(2) For school districts with more than 400,000 units of average daily attendance, the sum of the school district's applicable minimum recommended reserve for economic uncertainties adopted by the state board pursuant to subdivision (a) of Section 33128, multiplied by three.

(b) A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements of subdivision (a) for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties. As a condition of receiving an exception, a school district shall do all of the following:

(1) Provide a statement that substantiates the need for an assigned and unassigned ending fund balance that is in excess of the minimum recommended reserve for economic uncertainties.

1 (2) *Identify the funding amounts in the budget adopted by the*
2 *school district that are associated with the extraordinary fiscal*
3 *circumstances.*

4 (3) *Provide documentation that no other fiscal resources are*
5 *available to fund the extraordinary fiscal circumstances.*

6 (c) *This section shall become operative on December 15, 2014,*
7 *only if Assembly Constitutional Amendment No. 1 of the 2013–14*
8 *Second Extraordinary Session is approved by the voters at the*
9 *November 4, 2014, statewide general election. If Assembly*
10 *Constitutional Amendment No. 1 of the 2013–14 Second*
11 *Extraordinary Session is not approved by the voters at the*
12 *November 4, 2014, statewide general election, this section shall*
13 *not become operative and is repealed on January 1, 2015.*

14 SEC. 28. *Section 44235.2 is added to the Education Code, to*
15 *read:*

16 44235.2. (a) *If in any month there are insufficient moneys in*
17 *the Teacher Credentials Fund to satisfy monthly payroll obligations*
18 *and scheduled claims, and there are moneys in the Test*
19 *Development and Administration Account not required to meet*
20 *any demand that has accrued or may accrue against it, the*
21 *Controller shall transfer moneys from the Test Development and*
22 *Administration Account to the Teacher Credentials Fund to the*
23 *extent necessary to meet the immediate obligations of the Teacher*
24 *Credentials Fund.*

25 (b) *Moneys transferred pursuant to subdivision (a) shall be*
26 *returned to the Test Development and Administration Account as*
27 *soon as there are sufficient moneys in the Teacher Credentials*
28 *Fund to do so, but by no later than 60 days after the transfer was*
29 *made.*

30 (c) *If sufficient moneys do not accumulate in the Teacher*
31 *Credentials Fund within 60 days after the transfer was made,*
32 *whatever portion of the amount received from the Test*
33 *Development and Administration Account that is in the Teacher*
34 *Credentials Fund at that time shall be returned to the Test*
35 *Development and Administration Account. The remaining balance*
36 *of the outstanding transfer, if any, shall be returned thereafter in*
37 *monthly installments as moneys accumulate in the Teacher*
38 *Credentials Fund. If the Teacher Credentials Fund fails to return*
39 *the full amount of any transfer by the end of the fiscal year, the*
40 *Teacher Credentials Fund shall be ineligible to receive further*

1 *transfers until it has returned the full amount previously transferred*
2 *from the Test Development and Administration Account.*

3 *SEC. 29. Section 44374.5 of the Education Code is amended*
4 *to read:*

5 44374.5. (a) The commission may charge ~~a fee fees to recover~~
6 *cover* the standard costs of reviewing new *and existing* educator
7 preparation programs. ~~Applicable local educational agencies and~~
8 ~~institutions of higher education~~ *Sponsors of educator preparation*
9 *programs* shall submit the established fee to the commission when
10 submitting a proposal for a new ~~program~~ *program*, and, as
11 *determined by the commission, for the review of an existing*
12 *program. The commission shall not waive the fee for the review*
13 *of existing programs for in-kind contributions from sponsors of*
14 *educator preparation programs.* The commission may review the
15 established ~~fee fees~~ on a periodic basis and adjust the ~~fee fees~~ as
16 necessary. The commission shall notify the chairpersons of the
17 committees and subcommittees in each house of the Legislature
18 that consider the State Budget and the Department of Finance at
19 least 30 days before implementing the ~~fee fees~~ and at least 30 days
20 before making any subsequent fee adjustments.

21 (b) The commission may charge commission-approved entities
22 a fee to recover the costs of accreditation activities in excess of
23 the regularly scheduled data reports, program assessments, and
24 accreditation site visits. This includes, but is not necessarily limited
25 to, accreditation revisits, addressing stipulations, or program
26 assessment reviews beyond those supported within the standard
27 costs of review. ~~Institutions of higher education~~ *Sponsors of*
28 *educator preparation programs* shall submit the established fee
29 to the commission in the year that the extraordinary activities are
30 performed. The commission may review the established fee on a
31 periodic basis, and adjust the fee as necessary. The commission
32 shall notify the chairpersons of the committees and subcommittees
33 in each house of the Legislature that consider the State Budget and
34 the Department of Finance at least 30 days before implementing
35 the fee and at least 30 days before making any subsequent fee
36 adjustments.

37 *SEC. 30. Section 47612.1 of the Education Code is amended*
38 *to read:*

39 47612.1. (a) Except for the requirement that a pupil be a
40 California resident, subdivision (b) of Section 47612 shall not

1 apply to a charter school program that whose charter was granted
2 by its chartering authority before July 1, 2014, and that provides
3 instruction exclusively in partnership with any of the following:

4 ~~(a)~~

5 (1) The federal Workforce Investment Act of 1998 (~~Pub. L.~~
6 ~~(Public Law No. 105-220; 29 U.S.C. Sec. 2801, 2801 et seq.)~~).

7 ~~(b)~~

8 (2) Federally affiliated Youth Build programs.

9 ~~(c)~~

10 (3) Federal job corps training or instruction provided pursuant
11 to a memorandum of understanding with the federal provider.

12 ~~(d)~~

13 (4) The California Conservation Corps or local conservation
14 corps certified by the California Conservation Corps pursuant to
15 Sections 14406 or 14507.5 of the Public Resources Code.

16 (b) *This section shall become inoperative on July 1, 2015, and,*
17 *as of January 1, 2016, is repealed, unless a later enacted statute,*
18 *that becomes operative on or before January 1, 2016, deletes or*
19 *extends the dates on which it becomes inoperative and is repealed.*

20 SEC. 31. *Section 47612.1 is added to the Education Code, to*
21 *read:*

22 47612.1. (a) *Except for the requirement that a pupil be a*
23 *California resident, subdivision (b) of Section 47612 shall not*
24 *apply to a charter school program that provides instruction*
25 *exclusively in partnership with any of the following:*

26 (1) *The federal Workforce Investment Act of 1998 (Public Law*
27 *No. 105-220; 29 U.S.C. Sec. 2801 et seq.)*.

28 (2) *Federally affiliated Youth Build programs.*

29 (3) *Federal job corps training or instruction provided pursuant*
30 *to a memorandum of understanding with the federal provider.*

31 (4) *The California Conservation Corps or local conservation*
32 *corps certified by the California Conservation Corps pursuant to*
33 *Sections 14406 or 14507.5 of the Public Resources Code.*

34 (b) *This section shall become operative on July 1, 2015.*

35 SEC. 32. *Section 47644 of the Education Code is amended to*
36 *read:*

37 47644. For each charter school deemed a local educational
38 agency for the purposes of special education, an amount equal to
39 the amount computed pursuant to Section 56836.08 for the special
40 education local plan area in which the charter school is included

1 shall be apportioned by the Superintendent of Public Instruction
2 pursuant to the local allocation plan developed pursuant to
3 subdivision (i) of Section 56195.7 or Section 56836.05, or both.
4 If the charter school is a participant in a local plan that only
5 includes other charter schools pursuant to subdivision (f) of Section
6 56195.1, the amount computed pursuant to Section ~~56836.11~~, as
7 ~~adjusted pursuant to the incidence multiplier set forth in Section~~
8 ~~56836.155; 56836.11~~ shall be apportioned by the superintendent
9 Superintendent for each unit of average daily attendance reported
10 pursuant to subdivision (a) of Section 56836.06.

11 *SEC. 33. Section 48000 of the Education Code is amended to*
12 *read:*

13 48000. (a) A child shall be admitted to a kindergarten
14 maintained by the school district at the beginning of a school year,
15 or at a later time in the same year if the child will have his or her
16 fifth birthday on or before one of the following dates:

17 (1) December 2 of the 2011–12 school year.

18 (2) November 1 of the 2012–13 school year.

19 (3) October 1 of the 2013–14 school year.

20 (4) September 1 of the 2014–15 school year and each school
21 year thereafter.

22 (b) The governing board of a school district maintaining one or
23 more kindergartens may, on a case-by-case basis, admit to a
24 kindergarten a child having attained the age of five years at any
25 time during the school year with the approval of the parent or
26 guardian, subject to the following conditions:

27 (1) The governing board determines that the admittance is in
28 the best interests of the child.

29 (2) The parent or guardian is given information regarding the
30 advantages and disadvantages and any other explanatory
31 information about the effect of this early admittance.

32 (c) As a condition of receipt of apportionment for pupils in a
33 transitional kindergarten program pursuant to subdivision (g) of
34 Section 46300, a school district or charter school shall ensure the
35 following:

36 (1) In the 2012–13 school year, a child who will have his or her
37 fifth birthday between November 2 and December 2 shall be
38 admitted to a transitional kindergarten program maintained by the
39 school district.

1 (2) In the 2013–14 school year, a child who will have his or her
2 fifth birthday between October 2 and December 2 shall be admitted
3 to a transitional kindergarten program maintained by the school
4 district.

5 (3) In the 2014–15 school year and each school year thereafter,
6 a child who will have his or her fifth birthday between September
7 2 and December 2 shall be admitted to a transitional kindergarten
8 program maintained by the school district.

9 (d) For purposes of this section, “transitional kindergarten”
10 means the first year of a two-year kindergarten program that uses
11 a modified kindergarten curriculum that is age and developmentally
12 appropriate.

13 (e) A transitional kindergarten shall not be construed as a new
14 program or higher level of service.

15 (f) *It is the intent of the Legislature that transitional kindergarten*
16 *curriculum be aligned to the California Preschool Learning*
17 *Foundations developed by the department.*

18 (g) *As a condition of receipt of apportionment for pupils in a*
19 *transitional kindergarten program pursuant to subdivision (g) of*
20 *Section 46300, a school district or charter school shall ensure that*
21 *teachers assigned to a transitional kindergarten classroom after*
22 *July 1, 2015, have been issued at least one credential by the*
23 *Commission on Teacher Credentialing, and shall, by August 1,*
24 *2020, have one of the following:*

25 (1) *At least 24 units in early childhood education, or childhood*
26 *development, or both.*

27 (2) *As determined by the local educational agency employing*
28 *the teacher, professional experience in a classroom setting with*
29 *preschool age children that is comparable to the 24 units of*
30 *education described in paragraph (1).*

31 (3) *A child development permit issued by the Commission on*
32 *Teacher Credentialing.*

33 SEC. 34. *Section 49430.5 of the Education Code is amended*
34 *to read:*

35 49430.5. (a) The reimbursement a school receives for free and
36 reduced-price meals sold or served to pupils in elementary, middle,
37 or high schools included within a school district, charter school,
38 or county office of education shall be twenty-two and ~~twenty-nine~~
39 ~~forty-eight~~ hundredths cents (~~\$0.2229~~) (\$0.2248) per meal, and,
40 for meals served in child care centers and homes, the

1 reimbursement shall be sixteen and ~~six-tenths~~ *seventy-four*
2 *hundredths* cents (~~\$0.1660~~) (*\$0.1674*) per meal.

3 (b) To qualify for the reimbursement for free and reduced-price
4 meals provided to pupils in elementary, middle, or high schools,
5 a school shall follow the Enhanced Food Based Meal Pattern,
6 Nutrient Standard Meal Planning, or Traditional Meal Pattern
7 developed by the United States Department of Agriculture or the
8 SHAPE Menu Patterns developed by the state.

9 (c) The reimbursement rates set forth in this section shall be
10 adjusted annually for increases in cost of living in the same manner
11 set forth in Section 42238.1.

12 *SEC. 35. Section 51745.6 of the Education Code is amended*
13 *to read:*

14 51745.6. (a) (1) The ratio of average daily attendance for
15 independent study pupils 18 years of age or less to school district
16 full-time equivalent certificated employees responsible for
17 independent study, *for the applicable grade span*, calculated as
18 specified by the ~~State Department of Education, department~~, shall
19 not exceed the equivalent ratio of pupils to full-time certificated
20 employees for all other educational programs operated by the
21 ~~school district. district~~ *for the applicable grade span, unless a new*
22 *higher or lower grade span ratio for all other educational*
23 *programs offered within the respective grade span is negotiated*
24 *in a collective bargaining agreement or a memorandum of*
25 *understanding is entered into that indicates an existing collective*
26 *bargaining agreement contains an alternative grade span ratio*
27 *for the applicable grade span.* The ratio of average daily attendance
28 for independent study pupils 18 years of age or less to county office
29 of education full-time equivalent certificated employees responsible
30 for independent study, *for the applicable grade span*, to be
31 calculated in a manner prescribed by the ~~State Department of~~
32 ~~Education, department~~, shall not exceed the equivalent ratio of
33 pupils to full-time certificated employees for all other educational
34 programs operated by the high school or unified school district
35 with the largest average daily attendance of pupils in that ~~county.~~
36 *county for the applicable grade span, unless a new higher or lower*
37 *grade span ratio for all other educational programs offered within*
38 *the respective grade span is negotiated in a collective bargaining*
39 *agreement or a memorandum of understanding is entered into that*
40 *indicates an existing collective bargaining agreement contains an*

1 *alternative grade span ratio for the applicable grade span. The*
2 *computation of ~~those~~ the ratios shall be performed annually by the*
3 *reporting agency at the time of, and in connection with, the second*
4 *principal apportionment report to the ~~Superintendent of Public~~*
5 *~~Instruction.~~ Superintendent.*

6 *(2) For purposes of this section, the following grade spans shall*
7 *apply:*

8 *(A) Kindergarten and grades 1 to 3, inclusive.*

9 *(B) Grades 4 to 6, inclusive.*

10 *(C) Grades 7 to 8, inclusive.*

11 *(D) Grades 9 to 12, inclusive.*

12 *(b) Only those units of average daily attendance for independent*
13 *study that reflect a pupil-teacher ratio that does not exceed the*
14 *~~ratio~~ applicable grade span ratios described in subdivision (a)*
15 *shall be eligible for apportionment pursuant to Section ~~42238.5,~~*
16 *~~for school districts, and Section 2558, for county offices of~~*
17 *~~education.~~ 2575, for county offices of education, and Section*
18 *42238.05, for school districts. Nothing in this section shall prevent*
19 *a school district or county office of education from serving*
20 *additional units of average daily attendance greater than the ~~ratio~~*
21 *applicable grade span ratios described in subdivision (a), except*
22 *that those additional units shall not be funded pursuant to Section*
23 *~~42238.5 or Section 2558.~~ 2575 or 42238.05, as applicable. If a*
24 *school district, charter school, or county office of education has*
25 *a memorandum of understanding to provide instruction in*
26 *coordination with the school district, charter school, or county*
27 *office of education at which a pupil is enrolled, then the applicable*
28 *grade span ratios that shall apply for purposes of this paragraph*
29 *are the ratios for the local educational agency providing the*
30 *independent study program to the pupil pursuant to Section*
31 *51749.5.*

32 *(c) The calculations performed for purposes of this section shall*
33 *not include either of the following:*

34 *(1) The average daily attendance generated by special education*
35 *pupils enrolled in special day classes on a full-time basis, or the*
36 *teachers of those classes.*

37 *(2) The average daily attendance or teachers in necessary small*
38 *schools that are eligible to receive funding pursuant to Article 4*
39 *(commencing with Section 42280) of Chapter 7 of Part 24.*

1 ~~(d) The pupil-teacher ratio described in subdivision (a) in a~~
2 ~~unified school district participating in the class size reduction~~
3 ~~program pursuant to Chapter 6.10 (commencing with Section~~
4 ~~52120) may, at the school district's option, be calculated separately~~
5 ~~for kindergarten and grades 1 to 6, inclusive, and for grades 7 to~~
6 ~~12, inclusive.~~

7 ~~(e)~~
8 ~~(d) The —pupils-to-certificated-employee—ratio~~ applicable
9 ~~pupils-to-certificated-employee grade span ratios~~ described in
10 subdivision (a) may, in a charter school, be calculated by using a
11 fixed pupils-to-certificated-employee ratio of 25 to ~~one~~, 1, or by
12 being a ratio of less than 25 pupils per certificated employee. All
13 charter school pupils, regardless of age, shall be included in
14 ~~pupil-to-certificated-employee~~ the applicable
15 ~~pupil-to-certificated-employee grade span~~ ratio calculations.

16 SEC. 36. Section 51747 of the Education Code is amended to
17 read:

18 51747. A school district or county office of education shall not
19 be eligible to receive apportionments for independent study by
20 pupils, regardless of age, unless it has adopted written policies,
21 and has implemented those policies, pursuant to rules and
22 regulations adopted by the ~~Superintendent of Public Instruction,~~
23 ~~Superintendent~~, that include, but are not limited to, all of the
24 following:

25 (a) The maximum length of time, by grade level and type of
26 program, that may elapse between the time an independent study
27 assignment is made and the date by which the pupil must complete
28 the assigned work.

29 (b) The number of missed assignments that will be allowed
30 before an evaluation is conducted to determine whether it is in the
31 best interests of the pupil to remain in independent study, or
32 whether he or she should return to the regular school program. A
33 written record of the findings of any evaluation made pursuant to
34 this subdivision shall be treated as a mandatory interim pupil
35 record. The record shall be maintained for a period of three years
36 from the date of the evaluation and, if the pupil transfers to another
37 California public school, the record shall be forwarded to that
38 school.

1 (c) A requirement that a current written agreement for each
2 independent study pupil shall be maintained on ~~file~~ *file*, including,
3 but not limited to, all of the following:

4 (1) The manner, time, frequency, and place for submitting a
5 pupil's assignments and for reporting his or her progress.

6 (2) The objectives and methods of study for the pupil's work,
7 and the methods utilized to evaluate that work.

8 (3) The specific resources, including materials and personnel,
9 that will be made available to the pupil.

10 (4) A statement of the policies adopted pursuant to subdivisions
11 (a) and (b) regarding the maximum length of time allowed between
12 the assignment and the completion of a pupil's assigned work, and
13 the number of missed assignments allowed ~~prior to~~ *before* an
14 evaluation of whether or not the pupil should be allowed to
15 continue in independent study.

16 (5) The duration of the independent study agreement, including
17 the beginning and ending dates for the pupil's participation in
18 independent study under the agreement. No independent study
19 agreement shall be valid for any period longer than one ~~semester,~~
20 ~~or one-half year for a school on a year-round calendar.~~ *school year.*

21 (6) A statement of the number of course credits or, for the
22 elementary grades, other measures of academic accomplishment
23 appropriate to the agreement, to be earned by the pupil upon
24 completion.

25 (7) The inclusion of a statement in each independent study
26 agreement that independent study is an optional educational
27 alternative in which no pupil may be required to participate. In the
28 case of a pupil who is referred or assigned to any school, class, or
29 program pursuant to Section 48915 or 48917, the agreement also
30 shall include the statement that instruction may be provided to the
31 pupil through independent study only if the pupil is offered the
32 alternative of classroom instruction.

33 (8) (A) Each written agreement shall be signed, ~~prior to~~ *before*
34 the commencement of independent study, by the pupil, the pupil's
35 parent, legal guardian, or caregiver, if the pupil is less than 18
36 years of age, the certificated employee who has been designated
37 as having responsibility for the general supervision of independent
38 study, and all persons who have direct responsibility for providing
39 assistance to the pupil. For purposes of this paragraph "caregiver"

1 means a person who has met the requirements of Part 1.5
2 (commencing with Section 6550) of the Family Code.

3 (B) A signed written agreement may be maintained on file
4 electronically.

5 SEC. 37. Section 51747.5 of the Education Code is amended
6 to read:

7 51747.5. (a) The independent study by each pupil ~~or student~~
8 shall be coordinated, evaluated, and, notwithstanding subdivision
9 (a) of Section 46300, shall be under the general supervision of an
10 employee of the school ~~district~~ district, charter school, or county
11 office of education who possesses a valid certification document
12 pursuant to Section 44865 or an emergency credential pursuant to
13 Section 44300, registered as required by law.

14 (b) School ~~districts and~~ districts, charter schools, and county
15 offices of education may claim apportionment credit for
16 independent study only to the extent of the time value of pupil ~~or~~
17 student work products, as personally judged in each instance by a
18 certificated teacher.

19 (c) For purposes of this section, school districts, charter schools,
20 and county offices of education shall not be required to sign and
21 date pupil work products when assessing the time value of pupil
22 work products for apportionment purposes.

23 SEC. 38. Section 51749.5 is added to the Education Code, to
24 read:

25 51749.5. (a) Notwithstanding any other law, and commencing
26 with the 2015–16 school year, a school district, charter school,
27 or county office of education may, for pupils enrolled in
28 kindergarten and grades 1 to 12, inclusive, provide independent
29 study courses pursuant to the following conditions:

30 (1) The governing board or body of a participating school
31 district, charter school, or county office of education adopts
32 policies, at a public meeting, that comply with the requirements
33 of this section and any applicable regulations adopted by the state
34 board.

35 (2) A signed learning agreement is completed and on file
36 pursuant to Section 51749.6.

37 (3) Courses are taught under the general supervision of
38 certificated employees who hold the appropriate subject matter
39 credential pursuant to Section 44300 or 44865, or subdivision (l)
40 of Section 47605, meet the requirements for highly qualified

1 *teachers pursuant to the federal No Child Left Behind Act of 2001*
2 *(20 U.S.C. Sec. 6301 et seq.), and are employed by the school*
3 *district, charter school, or county office of education at which the*
4 *pupil is enrolled, or by a school district, charter school, or county*
5 *office of education that has a memorandum of understanding to*
6 *provide the instruction in coordination with the school district,*
7 *charter school, or county office of education at which the pupil is*
8 *enrolled.*

9 (4) (A) *Courses are annually certified, by school district, charter*
10 *school, or county office of education governing board or body*
11 *resolution, to be of the same rigor and educational quality as*
12 *equivalent classroom-based courses, and shall be aligned to all*
13 *relevant local and state content standards.*

14 (B) *This certification shall, at a minimum, include the duration,*
15 *number of equivalent daily instructional minutes for each*
16 *school day that a pupil is enrolled, number of equivalent total*
17 *instructional minutes, and number of course credits for each*
18 *course. This information shall be consistent with that of equivalent*
19 *classroom-based courses.*

20 (5) *Pupils enrolled in courses authorized by this section shall*
21 *meet the applicable age requirements established pursuant to*
22 *Sections 46300.1, 46300.4, 47612, and 47612.1.*

23 (6) *Pupils enrolled in courses authorized by this section shall*
24 *meet the applicable residency and enrollment requirements*
25 *established pursuant to Sections 46300.2, 47612, 48204, and*
26 *51747.3.*

27 (7) (A) *Certificated employees and each pupil shall communicate*
28 *in-person, by telephone, or by any other live visual or audio*
29 *connection no less than twice per calendar month to assess whether*
30 *each pupil is making satisfactory educational progress.*

31 (B) *For purposes of this section, satisfactory educational*
32 *progress includes, but is not limited to, applicable statewide*
33 *accountability measures and the completion of assignments,*
34 *examinations, or other indicators that evidence that the pupil is*
35 *working on assignments, learning required concepts, and*
36 *progressing toward successful completion of the course, as*
37 *determined by certificated employees providing instruction.*

38 (C) *If satisfactory educational progress is not being made,*
39 *certificated employees providing instruction shall notify the pupil*
40 *and, if the pupil is less than 18 years of age, the pupil's parent or*

1 legal guardian, and conduct an evaluation to determine whether
2 it is in the best interest of the pupil to remain in the course or
3 whether he or she should be referred to an alternative program,
4 which may include, but is not limited to, a regular school program.
5 A written record of the findings of an evaluation made pursuant
6 to this subdivision shall be treated as a mandatory interim pupil
7 record. The record shall be maintained for a period of three years
8 from the date of the evaluation and, if the pupil transfers to another
9 California public school, the record shall be forwarded to that
10 school.

11 (D) Written or computer-based evidence of satisfactory
12 educational progress, as defined in subparagraph (B), shall be
13 retained for each course and pupil. At a minimum, this evidence
14 shall include a grade book or summary document that, for each
15 course, lists all assignments, examinations, and associated grades.

16 (8) A proctor shall administer examinations.

17 (9) (A) Statewide testing results for pupils enrolled in any course
18 authorized pursuant to this section shall be reported and assigned
19 to the school or charter school at which the pupil is enrolled, and
20 to any school district, charter school, or county office of education
21 within which that school's or charter school's testing results are
22 aggregated.

23 (B) Statewide testing results for pupils enrolled in a course or
24 courses pursuant to this section shall be disaggregated for
25 purposes of comparing the testing results of those pupils to the
26 testing results of pupils enrolled in classroom-based courses.

27 (10) A pupil shall not be required to enroll in courses authorized
28 by this section.

29 (11) The pupil-to-certificated-employee ratio limitations
30 established pursuant to Section 51745.6 are applicable to courses
31 authorized by this section.

32 (12) For each pupil, the combined equivalent daily instructional
33 minutes for enrolled courses authorized by this section and enrolled
34 courses authorized by all other laws and regulations shall meet
35 the minimum instructional day requirements applicable to the local
36 educational agency. Pupils enrolled in courses authorized by this
37 section shall be offered the minimum annual total equivalent
38 instructional minutes pursuant to Sections 46200 to 46208,
39 inclusive, and Section 47612.5.

1 (13) Courses required for high school graduation or for
2 admission to the University of California or California State
3 University shall not be offered exclusively through independent
4 study.

5 (14) A pupil participating in independent study shall not be
6 assessed a fee prohibited by Section 49011.

7 (15) A pupil shall not be prohibited from participating in
8 independent study solely on the basis that he or she does not have
9 the materials, equipment, or Internet access that are necessary to
10 participate in the independent study course.

11 (b) For purposes of computing average daily attendance for
12 each pupil enrolled in one or more courses authorized by this
13 section, the following computations shall apply:

14 (1) (A) For each schoolday, add the combined equivalent daily
15 instructional minutes, as certified in paragraph (4) of subdivision
16 (a), for courses authorized by this section in which the pupil is
17 enrolled.

18 (B) For each schoolday, add the combined daily instructional
19 minutes of courses authorized by all other laws and regulations
20 in which the pupil is enrolled and for which the pupil meets
21 applicable attendance requirements.

22 (C) For each schoolday, add the sum of subparagraphs (A) and
23 (B).

24 (2) If subparagraph (C) of paragraph (1) meets applicable
25 minimum schoolday requirements for each schoolday, and all
26 other requirements in this section have been met, credit each
27 schoolday that the pupil is demonstrating satisfactory educational
28 progress pursuant to the requirements of this section, with up to
29 one school day of attendance.

30 (3) (A) Using credited schoolday attendance pursuant to
31 paragraph (2), calculate average daily attendance pursuant to
32 Section 41601 or 47612, whichever is applicable, for each pupil.

33 (B) The average daily attendance computed pursuant to this
34 subdivision shall not result in more than one unit of average daily
35 attendance per pupil.

36 (4) Notwithstanding any other law, average daily attendance
37 computed for pupils enrolled in courses authorized by this section
38 shall not be credited with average daily attendance other than
39 what is specified in this section.

1 (c) For purposes of this section, "equivalent total instructional
2 minutes" means the same number of minutes as required for an
3 equivalent classroom-based course.

4 (d) (1) The Superintendent shall conduct an evaluation of
5 independent study courses offered pursuant to this section and
6 report findings to the Legislature and the Director of Finance no
7 later than September 1, 2019. The report shall, at a minimum,
8 compare the academic performance of pupils in independent study
9 with demographically similar pupils enrolled in equivalent
10 classroom-based courses.

11 (2) The requirement for submitting a report imposed under
12 paragraph (1) is inoperative on September 1, 2023, pursuant to
13 Section 10231.5 of the Government Code.

14 (3) A report to be submitted pursuant to paragraph (1) shall be
15 submitted in compliance with Section 9795 of the Government
16 Code.

17 SEC. 39. Section 51749.6 is added to the Education Code, to
18 read:

19 51749.6. (a) Before enrolling a pupil in a course authorized
20 by Section 51749.5, each school district, charter school, or county
21 office of education shall provide the pupil and, if the pupil is less
22 than 18 years of age, the pupil's parent or legal guardian, with a
23 written learning agreement that includes all of the following:

24 (1) A summary of the policies and procedures adopted by the
25 governing board or body of the school district, charter school, or
26 county office of education pursuant to Section 51749.5, as
27 applicable.

28 (2) The duration of the enrolled course or courses, the duration
29 of the learning agreement, and the number of course credits for
30 each enrolled course consistent with the certifications adopted by
31 the governing board or body of the school district, charter school,
32 or county office of education pursuant to Section 51749.5. The
33 duration of a learning agreement shall not exceed a school year
34 or span multiple school years.

35 (3) The learning objectives and expectations for each course,
36 including, but not limited to, a description of how satisfactory
37 educational progress is measured and when a pupil evaluation is
38 required to determine whether the pupil should remain in the
39 course or be referred to an alternative program, which may
40 include, but is not limited to, a regular school program.

1 (4) *The specific resources, including materials and personnel,*
2 *that will be made available to the pupil.*

3 (5) *A statement that the pupil is not required to enroll in courses*
4 *authorized pursuant to Section 51749.5.*

5 (b) (1) *The learning agreement shall be signed by the pupil and,*
6 *if the pupil is less than 18 years of age, the pupil's parent or legal*
7 *guardian, and all certificated employees providing instruction*
8 *before instruction may commence.*

9 (2) *The signed learning agreement constitutes permission from*
10 *a pupil's parent or legal guardian, if the pupil is less than 18 years*
11 *of age, for the pupil to receive instruction through independent*
12 *study.*

13 (3) *A physical or electronic copy of the signed learning*
14 *agreement shall be retained by the school district, county office*
15 *of education, or charter school for at least three years and as*
16 *appropriate for auditing purposes.*

17 (4) *For purposes of this section, an electronic copy includes a*
18 *computer or electronic stored image of an original document,*
19 *including, but not limited to, portable document format, JPEG, or*
20 *other digital image file type, that may be sent via fax machine,*
21 *email, or other electronic means.*

22 SEC. 40. *Section 52055.770 of the Education Code is amended*
23 *to read:*

24 52055.770. (a) School districts and chartering authorities shall
25 receive funding at the following rate, on behalf of funded schools:

26 (1) For kindergarten and grades 1 to 3, inclusive, five hundred
27 dollars (\$500) per enrolled pupil in funded schools.

28 (2) For grades 4 to 8, inclusive, nine hundred dollars (\$900) per
29 enrolled pupil in funded schools.

30 (3) For grades 9 to 12, inclusive, one thousand dollars (\$1,000)
31 per enrolled pupil in funded schools.

32 (b) For purposes of subdivision (a), enrollment of a pupil in a
33 funded school in the prior fiscal year shall be based on data from
34 the CBEDS. For the 2007–08 fiscal year, the funded rates shall be
35 reduced to reflect the percentage difference in the total amounts
36 appropriated for purposes of this section in that year compared to
37 the amounts appropriated for purposes of this section in the
38 2008–09 fiscal year.

39 (c) The following amounts are hereby appropriated from the
40 General Fund for the purposes set forth in subdivision (g):

1 (1) For the 2007–08 fiscal year, three hundred million dollars
2 (\$300,000,000), to be allocated as follows:

3 (A) Thirty-two million dollars (\$32,000,000) for transfer by the
4 Controller to Section B of the State School Fund for allocation by
5 the Chancellor of the California Community Colleges to
6 community colleges for the purpose of providing funding to the
7 community colleges to improve and expand career technical
8 education in public secondary education and lower division public
9 higher education pursuant to Section 88532, including the hiring
10 of additional faculty to expand the number of career technical
11 education programs and course offerings.

12 (B) Two hundred sixty-eight million dollars (\$268,000,000) for
13 transfer by the Controller to Section A of the State School Fund
14 for allocation by the Superintendent pursuant to this article.

15 (2) For each of the 2008–09 and 2011–12 fiscal years, four
16 hundred fifty million dollars (\$450,000,000) per fiscal year, to be
17 allocated as follows:

18 (A) Forty-eight million dollars (\$48,000,000) for transfer by
19 the Controller to Section B of the State School Fund for allocation
20 by the Chancellor of the California Community Colleges to
21 community colleges as required under subdivision (e) for the
22 2008–09 fiscal year, and under subdivision (f) for the 2011–12
23 fiscal year.

24 (B) Four hundred two million dollars (\$402,000,000) for transfer
25 by the Controller to Section A of the State School Fund for
26 allocation by the Superintendent pursuant to this article.

27 (3) For the 2009–10 fiscal year, thirty million dollars
28 (\$30,000,000), to be allocated for transfer by the Controller to
29 Section B of the State School Fund for allocation by the Chancellor
30 of the California Community Colleges to community colleges as
31 required under subdivision (e).

32 (4) For the 2010–11 fiscal year, four hundred twenty million
33 dollars (\$420,000,000), to be allocated as follows:

34 (A) Eighteen million dollars (\$18,000,000) for transfer by the
35 Controller to Section B of the State School Fund for allocation by
36 the Chancellor of the California Community Colleges to
37 community colleges as required under subdivision (e).

38 (B) Four hundred two million dollars (\$402,000,000) for transfer
39 by the Controller to Section A of the State School Fund for
40 allocation by the Superintendent pursuant to this article.

(5) For the 2014–15 fiscal year, *four hundred nine million six hundred fourteen thousand dollars (\$409,614,000)*, the amount determined by the Director of Finance to be the amount of the difference between the sum of amounts appropriated under paragraphs (1) to (4), inclusive, and Section 41207.6, and the total fiscal settlement agreed to by the parties in California Teachers Association, et al. v. Arnold Schwarzenegger (Super. Ct., Sacramento County, 2006, No. 05CS01165), to be allocated pursuant to subparagraphs (A) ~~and (B)~~: *to (C), inclusive*. The sum of all fiscal years of funding provided pursuant to this section and Section 41207.6 shall not exceed the total funds agreed to by those parties, in accordance with both of the following:

(A) ~~Eleven percent~~ *Forty-eight million dollars (\$48,000,000)* for transfer by the Controller to Section B of the State School Fund for allocation by the Chancellor of the California Community Colleges to community colleges as required under subdivision ~~(e)~~: *(d) of Section 52055.780*.

(B) ~~Eighty-nine percent~~ *(i) Two hundred sixty-seven million dollars (\$267,000,000)* for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent pursuant to this article.

(ii) Notwithstanding any other law, funds appropriated for the 2014–15 fiscal year pursuant to clause (i) that are not allocated to schools with kindergarten or grades 1 to 12, inclusive, due to program termination or otherwise, shall be reallocated within the fiscal year for purposes of this article. The amount reallocated shall be distributed based on the proportionate share of funding each school that was funded received pursuant to this paragraph for the 2014–15 fiscal year.

(C) *Ninety-four million six hundred fourteen thousand dollars (\$94,614,000)* for transfer by the Controller to the School Facilities Emergency Repair Account pursuant to Section 17592.71.

(6) Commencing with the 2010–11 fiscal year, payments made pursuant to this subdivision shall be made only on or after October 8 of each fiscal year.

~~(d) The annual appropriation made under this section shall continue to be made until the Director of Finance reports to the Legislature, along with all proposed adjustments to the Governor's Budget pursuant to Section 13308 of the Government Code, that the sum of appropriations made and allocated pursuant to~~

1 ~~subdivision (c) equals the total outstanding balance of the minimum~~
2 ~~state educational funding obligation to school districts and~~
3 ~~community college districts required by Section 8 of Article XVI~~
4 ~~of the California Constitution and Chapter 213 of the Statutes of~~
5 ~~2004 for the 2004–05 and 2005–06 fiscal years, as determined in~~
6 ~~subdivision (a) or (b) of Section 41207.1.~~

7 (e)

8 (d) The sum transferred under subparagraph (A) of paragraph
9 (2) of subdivision (c) for the 2008–09 fiscal year shall be allocated
10 by the Chancellor of the California Community Colleges as
11 follows:

12 (1) Thirty-eight million dollars (\$38,000,000) to the community
13 colleges for the purpose of providing funding to the community
14 colleges to improve and expand career technical education in public
15 secondary education and lower division public higher education
16 pursuant to Section 88532, including the hiring of additional faculty
17 to expand the number of career technical education programs and
18 course offerings.

19 (2) Ten million dollars (\$10,000,000) to the community colleges
20 for the purpose of providing one-time block grants to community
21 college districts to be used for one-time items of expenditure,
22 including, but not limited to, the following purposes:

23 (A) Physical plant, scheduled maintenance, deferred
24 maintenance, and special repairs.

25 (B) Instructional materials and support.

26 (C) Instructional equipment, including equipment related to
27 career technical education, with priority for nursing program
28 equipment.

29 (D) Library materials.

30 (E) Technology infrastructure.

31 (F) Hazardous substances abatement, cleanup, and repair.

32 (G) Architectural barrier removal.

33 (H) State-mandated local programs.

34 (3) The Chancellor of the California Community Colleges shall
35 allocate the amount allocated pursuant to paragraph (2) to
36 community college districts on an equal amount per actual full-time
37 equivalent student (FTES) reported for the prior fiscal year, except
38 that each community college district shall be allocated an amount
39 not less than fifty thousand dollars (\$50,000), and the equal amount
40 per unit of FTES shall be computed accordingly.

(4) Funds allocated under paragraph (2) shall supplement and not supplant existing expenditures and may not be counted as the community college district contribution for physical plant projects and instructional material purchases funded in Item 6870-101-0001 of Section 2.00 of the annual Budget Act.

~~(f)~~

(e) For each of the 2011–12 and 2014–15 fiscal years, the sum transferred pursuant to subparagraph (A) of paragraph (2) and subparagraph (A) of paragraph (5) of subdivision (c) shall be allocated by the Chancellor of the California Community Colleges to the community colleges for the purpose of improving and expanding career technical education in public secondary education and lower division public higher education pursuant to Section 88532, including the hiring of additional faculty to expand the number of career technical education programs and course offerings.

~~(g)~~

(f) The appropriations made under subdivision (c) and the amount specified in Section 41207.6 are for the purpose of discharging in full the minimum state educational funding obligation to school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution and Chapter 213 of the Statutes of 2004 for the 2004–05 fiscal year, and the outstanding maintenance factor for the 2005–06 fiscal year resulting from this additional payment of the Chapter 213 amount for the 2004–05 fiscal year.

~~(h)~~

(g) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, including computation of the state’s minimum funding obligation to school districts and community college districts in subsequent fiscal years, the first one billion six hundred twenty million nine hundred twenty-eight thousand dollars (\$1,620,928,000) in appropriations made pursuant to subdivision (c) and the amount specified in Section 41207.6 shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 and “General Fund Revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the 2004–05 fiscal year and included within the “total allocations to school districts and community college

1 districts from General Fund proceeds of taxes appropriated pursuant
2 to Article XIII B,” as defined in subdivision (e) of Section 41202,
3 for that fiscal year. The remaining appropriations made pursuant
4 to subdivision (c) and the amount specified in Section 41207.6
5 shall be deemed to be “General Fund revenues appropriated for
6 school districts,” as defined in subdivision (c) of Section 41202,
7 and “General Fund revenues appropriated for community college
8 districts,” as defined in subdivision (d) of Section 41202, for the
9 2005–06 fiscal year and included within the “total allocations to
10 school districts and community college districts from General Fund
11 proceeds of taxes appropriated pursuant to Article XIII B,” as
12 defined in subdivision (e) of Section 41202, for that fiscal year.

13 ~~(i)~~

14 *(h)* From funds appropriated under subdivision (c), the
15 Superintendent shall provide both of the following:

16 (1) Not more than two million dollars (\$2,000,000) annually to
17 county superintendents of schools to carry out the requirements
18 of this article, allocated in a manner similar to that created to carry
19 out the new duties of those superintendents under the settlement
20 agreement in the case of *Williams v. California* (Super. Ct. San
21 Francisco, No. CGC-00-312236).

22 (2) Five million dollars (\$5,000,000) in the 2007–08 fiscal year
23 to support regional assistance under Section 52055.730. It is the
24 intent of the Legislature that the Superintendent and the president
25 of the state board or his or her designee, along with county offices
26 of education, seek foundational and other financial support to
27 sustain and expand these services. Funds provided under this
28 paragraph that are not expended in the 2007–08 fiscal year shall
29 be reappropriated for use in subsequent fiscal years for the same
30 purpose.

31 ~~(j)~~

32 *(i)* Notwithstanding any other law, funds appropriated under
33 subdivision (c) but not allocated to schools with kindergarten or
34 grades 1 to 12, inclusive, in a fiscal year, due to program
35 termination in any year or otherwise, shall be reappropriated in
36 furtherance of the purposes of this article. First priority for those
37 amounts shall be to provide cost-of-living increases and enrollment
38 growth adjustments to funded schools.

39 ~~(k)~~

(j) The sum of three hundred fifty thousand dollars (\$350,000) is hereby appropriated from the General Fund to the department to fund 3.0 positions to implement this article. Funding provided under this subdivision is not part of funds provided pursuant to subdivision (c).

SEC. 41. Chapter 16 (commencing with Section 53010) is added to Part 28 of Division 4 of Title 2 of the Education Code, to read:

CHAPTER 16. CALIFORNIA CAREER PATHWAYS TRUST

53010. The California Career Pathways Trust is hereby established as a state education and economic and workforce development initiative with the goal of preparing pupils in kindergarten and grades 1 to 12, inclusive, to successfully transition to postsecondary education and training and to employment in high-skill, high-wage, and high-growth or emerging sectors of the state's economy.

53011. Contingent upon funding provided for this purpose in the annual Budget Act, the department shall administer the California Career Pathways Trust as a competitive grant program for kindergarten and grades 1 to 14, inclusive. Recipients shall do all of the following:

(a) Prioritize work-based learning opportunities, as defined in Section 51760.1, for pupils and students in partnership with regional business and industry, state and local governmental entities, and nonprofit and community-based organizations.

(b) Define the labor market of the regional economy in a manner that identifies high-skill, high-wage, high-growth jobs in the current regional economy or in emerging economic sectors.

(c) Establish or strengthen existing regional collaborative relationships and partnerships among business entities, schools serving pupils in kindergarten and grades 1 to 12, inclusive, and postsecondary educational agencies, organizations that provide apprenticeship opportunities, and nonprofit or government entities.

(d) Develop and integrate standards-based academics with a career-relevant, sequenced curriculum following industry-themed pathways that are aligned to high-skill, high-wage, high-growth jobs in the current regional economy, or in emerging regional economic sectors.

1 (e) Provide articulated pathways from high school to
2 postsecondary education and training that are aligned with the
3 workforce development needs of regional economies.

4 (f) Ensure that career pathway programs are designed and
5 implemented in a manner that leads students to a postsecondary
6 degree or certification in a high-skill, high-wage, and high-growth
7 or emerging field.

8 (g) Leverage and build on any of the following:

9 (1) Existing structures, requirements, and resources of the Carl
10 D. Perkins Career and Technical Education Improvement Act of
11 2006, California Partnership Academies, and Regional
12 Occupational Centers and Programs.

13 (2) The California Community Colleges Economic and
14 Workforce Development Program.

15 (3) Matching resources and in-kind contributions from public,
16 private, and philanthropic sources.

17 53012. A grant recipient under this chapter may be a school
18 district, a county office of education, a direct-funded charter
19 school, or a community college district.

20 53013. The following are conditions of receipt of California
21 Career Pathways Trust funds:

22 (a) A grant recipient shall not use the funds to supplant other
23 funding from state, federal, or any other public or private sources
24 that would otherwise be used in the absence of funding provided
25 by a California Career Pathways Trust grant.

26 (b) A grant recipient shall identify and set aside funding within
27 its own budget and obtain funding commitments from program
28 partners sufficient to support the ongoing costs of the program for
29 multiple years following the expiration of grant funding pursuant
30 to this chapter.

31 (c) A grant recipient subject to the requirements of Sections
32 52060 and 52061, Sections 52066 and 52067, or Section 47606.5
33 shall ensure that the activities supported by the California Career
34 Pathways Trust funds are in alignment with the priorities and
35 activities of the grant recipient's local control and accountability
36 plan.

37 (d) A grant recipient subject to the requirements of subdivision
38 (c) of Section 52302 shall ensure that the activities supported by
39 the California Career Pathways Trust funds are in alignment with
40 the elements of the plan identified in that section.

1 (e) A grant recipient shall annually collect and submit data on
2 outcome measures to the department, which shall include, but are
3 not limited to, all of the following:

- 4 (1) Pupil and student academic performance indicators.
5 (2) The number and rate of school or program graduates.
6 (3) Attainment of certificates, transfer readiness, and
7 postsecondary enrollment.
8 (4) Transitions to appropriate employment, apprenticeships, or
9 job training.

10 53014. The Superintendent shall consult with the Chancellor
11 of the California Community Colleges, state workforce investment
12 organizations, and organizations representing business in the
13 development of the request for grant applications and in the
14 consideration of grant applications under this chapter.

15 53015. For purposes of administering the California Career
16 Pathways Trust, the Superintendent may do any of the following:

- 17 (a) Establish a structure for awarding grants on a regional or
18 local basis as defined by the Superintendent.
19 (b) Determine specific funding amount categories and the
20 number of grants to be awarded in each category.
21 (c) Distribute funding on a multiyear schedule, and establish a
22 process for monitoring the use of the funding, and, if necessary,
23 cease distribution of funding and recover previously distributed
24 funding in the case of a recipient's failure to comply with a grant
25 award condition.

26 (d) Require grant recipients to submit program reports pursuant
27 to a schedule determined by the Superintendent.

28 (e) Set aside up to 1 percent of the total amount provided for in
29 the trust for one or both of the following purposes:

- 30 (1) To provide planning grants.
31 (2) To contract with a local educational agency for the provision
32 of technical assistance to applicants and grant recipients.

33 53016. For purposes of considering competitive priorities for
34 the California Career Pathways Trust, the Superintendent shall
35 do all of the following:

- 36 (a) Consider how to prioritize grants to applicants in regions
37 with higher-than-state-average rates of high school dropouts as
38 measured by the California Longitudinal Pupil Achievement Data
39 System.

1 (b) Provide special consideration to an applicant or applicants
2 seeking to establish or strengthen legal career pathways and
3 promote a better understanding of the role and operations of state
4 and federal courts and their relationship to the other branches of
5 government.

6 (c) Provide special consideration to an applicant or applicants
7 seeking to establish or strengthen career pathways that include
8 both high school opportunities and at least one of the following
9 significant postsecondary pathways: a degree pursuant to Section
10 78041, if that section is added by Senate Bill 850 of the 2013–14
11 Regular Session of the Legislature, or an EdPrize apprenticeship
12 opportunity pursuant to Section 33135.5, if that section is added
13 by Senate Bill 923 of the 2013–14 Regular Session of the
14 Legislature.

15 SEC. 42. Section 56836.06 of the Education Code is amended
16 to read:

17 56836.06. For the purposes of this article, the following terms
18 or phrases ~~shall~~ have the following meanings, unless the context
19 clearly requires otherwise:

20 (a) “Average daily attendance reported for the special education
21 local plan area” means the total of the following:

22 (1) The total number of units of average daily attendance
23 reported for the second principal apportionment pursuant to Section
24 41601 for all pupils enrolled in the district or districts that are a
25 part of the special education local plan area.

26 (2) The total number of units of average daily attendance
27 reported pursuant to subdivisions (a) and (b) of Section 41601 for
28 all pupils enrolled in schools operated by the county office or
29 offices that compose the special education local plan area, or for
30 those county offices that are a part of more than one special
31 education local plan area, that portion of the average daily
32 attendance of pupils enrolled in the schools operated by the county
33 office that are under the jurisdiction of the special education local
34 plan area.

35 (b) For the purposes of computing apportionments pursuant to
36 this chapter for the special education local plan area identified as
37 the Los Angeles County Juvenile Court and Community
38 School/Division of Alternative Education Special Education Local
39 Plan Area, the term “average daily attendance” ~~shall mean~~ means
40 the total number of units of average daily attendance reported for

1 the second principal apportionment pursuant to subdivisions (a)
2 and (b) of Section 41601 for all pupils enrolled in districts within
3 Los Angeles County and all schools operated by the Los Angeles
4 County Office of Education and the districts within Los Angeles
5 County.

6 (c) “Special education local plan area” includes the school
7 district or districts and county office or offices of education
8 composing the special education local plan area.

9 (d) “The fiscal year in which equalization among special
10 education local plan areas has been achieved” means the first fiscal
11 year in which each special education local plan area is funded at
12 or above the statewide target amount per unit of average daily
13 attendance, as computed pursuant to Section 56836.11.

14 (e) For a charter school deemed a local educational agency for
15 the purposes of special education, an amount equal to the amount
16 computed pursuant to Section 56836.08 for the special education
17 local plan area in which the charter school is included shall be
18 apportioned by the ~~State Department of Education~~ *department*
19 pursuant to the local allocation plan developed pursuant to
20 subdivision (i) of Section 56195.7 or 56836.05, or both. If the
21 charter school is a participant in a local plan ~~which~~ *that* only
22 includes other charter schools pursuant to subdivision (f) of Section
23 56195.1, the amount computed pursuant to Section ~~56836.11~~, as
24 ~~adjusted for any amount for which the special education local plan~~
25 ~~area is eligible pursuant to the incidence multiplier set forth in~~
26 ~~Section 56836.155~~, 56836.11 shall be apportioned by the
27 department pursuant for each unit of average daily attendance
28 reported pursuant to subdivision (a).

29 *SEC. 43. Section 56836.07 of the Education Code is amended*
30 *to read:*

31 56836.07. For the ~~2004-05~~ 2004-05 fiscal year and each fiscal
32 year ~~thereafter for which~~ *thereafter, to the extent* there is an
33 appropriation in the annual Budget Act for ~~this purpose~~, *purposes*
34 *of educationally related mental health services*, the Superintendent
35 shall allocate funds per unit of average daily attendance, as defined
36 in Section 56836.06, reported for the special education local plan
37 ~~area to a special education local plan area for the purposes of~~
38 ~~Section 56331~~. *area*. For the ~~2004-05~~ 2004-05 fiscal year and
39 each fiscal year thereafter for which there is an appropriation in
40 the annual Budget Act for this purpose, the Superintendent shall

1 determine a proportionate share, consistent with existing law, to
2 the Los Angeles County Juvenile Court and Community
3 School/Division of Alternative Education Special Education Local
4 Plan Area based on the ratio of the amount per unit of average
5 daily attendance determined pursuant to Section 56836.10 to the
6 amount of the statewide target per unit of average daily attendance
7 determined pursuant to Section 56836.11.

8 *SEC. 44. Section 56836.08 of the Education Code is amended*
9 *to read:*

10 56836.08. (a) For the 1998–99 fiscal year, the Superintendent
11 shall make the following computations to determine the amount
12 of funding for each special education local plan area:

13 (1) Add the amount of funding per unit of average daily
14 attendance computed for the special education local plan area
15 pursuant to paragraph (1) of subdivision (a) of Section 56836.10
16 to the inflation adjustment computed pursuant to subdivision (d)
17 for the 1998–99 fiscal year.

18 (2) Multiply the amount computed in paragraph (1) by the units
19 of average daily attendance reported for the special education local
20 plan area for the 1997–98 fiscal year, exclusive of average daily
21 attendance for absences excused pursuant to subdivision (b) of
22 Section 46010, as that subdivision read on July 1, 1996.

23 (3) Add the actual amount of the equalization adjustment, if
24 any, computed for the 1998–99 fiscal year pursuant to Section
25 56836.14 to the amount computed in paragraph (2).

26 (4) Add or subtract, as appropriate, the adjustment for growth
27 computed pursuant to Section 56836.15 from the amount computed
28 in paragraph (3).

29 (b) For the 1999–2000 fiscal year and each fiscal year thereafter,
30 the Superintendent shall make the following computations to
31 determine the amount of funding for each special education local
32 plan area for the fiscal year in which the computation is made:

33 (1) Add the amount of funding per unit of average daily
34 attendance computed for the special education local plan area for
35 the prior fiscal year pursuant to Section 56836.10 to the inflation
36 adjustment computed pursuant to subdivision (d) through the
37 2012–13 fiscal year, and for the 2013–14 fiscal year and each fiscal
38 year thereafter, the inflation adjustment computed pursuant to
39 subdivision (g), for the fiscal year in which the computation is
40 made.

1 (2) Multiply the amount computed in paragraph (1) by the units
2 of average daily attendance reported for the special education local
3 plan area for the prior fiscal year.

4 (3) Add or subtract, as appropriate, the adjustment for growth
5 or decline in enrollment, if any, computed for the special education
6 local plan area for the fiscal year in which the computation is made
7 pursuant to Section 56836.15 from the amount computed in
8 paragraph (2).

9 (c) For the 1998–99 fiscal year to the 2012–13 fiscal year,
10 inclusive, the Superintendent shall make the following
11 computations to determine the amount of General Fund moneys
12 that the special education local plan area may claim:

13 (1) Add the total of the amount of property taxes for the special
14 education local plan area pursuant to Section 2572 for the fiscal
15 year in which the computation is made to the amount of federal
16 funds allocated for the purposes of paragraph (1) of subdivision
17 (a) of Section 56836.09 for the fiscal year in which the computation
18 is made.

19 (2) Add the amount of funding computed for the special
20 education local plan area pursuant to subdivision (a) for the
21 1998–99 fiscal year, and commencing with the 1999–2000 fiscal
22 year to the 2012–13 fiscal year, inclusive, the amount computed
23 for the fiscal year in which the computations were made pursuant
24 to subdivision (b) to the amount of funding computed for the
25 special education local plan area pursuant to Article 3 (commencing
26 with Section 56836.16).

27 (3) Subtract the sum computed in paragraph (1) from the sum
28 computed in paragraph (2).

29 (d) For the 1998–99 fiscal year to the 2012–13 fiscal year,
30 inclusive, the Superintendent shall make the following
31 computations to determine the inflation adjustment for the fiscal
32 year in which the computation is made:

33 (1) For the 1998–99 fiscal year, multiply the sum of the
34 statewide target amount per unit of average daily attendance for
35 special education local plan areas for the 1997–98 fiscal year
36 computed pursuant to paragraph (3) of subdivision (a) of Section
37 56836.11 and the amount determined pursuant to paragraph (e) of
38 Section 56836.155 for the 1997–98 fiscal year that corresponds to
39 the amount determined pursuant to paragraph (1) of subdivision

1 ~~(d) of Section 56836.155~~ by the inflation adjustment computed
2 pursuant to Section 42238.1 for the 1998–99 fiscal year.

3 (2) For the 1999–2000 fiscal year to the 2012–13 fiscal year,
4 inclusive, multiply the sum of the statewide target amount per unit
5 of average daily attendance for special education local plan areas
6 for the prior fiscal year computed pursuant to Section 56836.11
7 ~~and the amount determined pursuant to paragraph (1) of subdivision~~
8 ~~(d) of Section 56836.155~~ for the prior fiscal year by the inflation
9 adjustment computed pursuant to Section 42238.1 for the fiscal
10 year in which the computation is made.

11 (3) For purposes of computing the inflation adjustment for the
12 special education local plan area identified as the Los Angeles
13 County Juvenile Court and Community School/Division of
14 Alternative Education Special Education Local Plan Area for the
15 1998–99 fiscal year to the 2012–13 fiscal year, inclusive, the
16 Superintendent shall multiply the amount of funding per unit of
17 average daily attendance computed for that special education local
18 plan area for the prior fiscal year pursuant to Section 56836.10 by
19 the inflation adjustment computed pursuant to Section 42238.1 for
20 the fiscal year in which the computation is being made.

21 ~~(e) For the 1998–99 fiscal year and each fiscal year thereafter~~
22 ~~to and including the 2002–03 fiscal year, the Superintendent shall~~
23 ~~perform the calculation set forth in Section 56836.155 to determine~~
24 ~~the adjusted entitlement for the incidence of disabilities for each~~
25 ~~special education local plan area, but this amount shall not be used~~
26 ~~in the next fiscal year to determine the base amount of funding for~~
27 ~~each special education local plan area for the current fiscal year,~~
28 ~~except as specified in this article.~~

29 ~~(f)~~

30 (e) Notwithstanding any other law, for the 2013–14 fiscal year
31 and each fiscal year thereafter, the Superintendent shall make the
32 following computations to determine the amount of General Fund
33 moneys that the special education local plan area may claim:

34 (1) Determine the total amount of property taxes for the special
35 education local plan area pursuant to Section 2572 for the fiscal
36 year in which the computation is made.

37 (2) Calculate the amount of funding computed for the special
38 education local plan area pursuant to subdivision (b) for the fiscal
39 year in which the computation is made.

1 (3) Subtract the amount computed in paragraph (1) from the
2 amount computed in paragraph (2).

3 ~~(g)~~

4 (f) For the 2013–14 fiscal year and each fiscal year thereafter,
5 the Superintendent shall make the following computations to
6 determine the inflation adjustment for the fiscal year in which the
7 computation is made:

8 (1) Multiply the statewide target amount per unit of average
9 daily attendance for special education local plan areas for the prior
10 fiscal year computed pursuant to Section 56836.11 by the inflation
11 factor computed pursuant to Section 42238.1, as that section read
12 on January 1, 2013, or any successor section of law enacted by the
13 Legislature that specifies the inflation factor contained in Section
14 42238.1, as that section read on January 1, 2013, for application
15 to the 2013–14 fiscal year and each fiscal year thereafter.

16 (2) For purposes of computing the inflation adjustment for the
17 special education local plan area identified as the Los Angeles
18 County Juvenile Court and Community School/Division of
19 Alternative Education Special Education Local Plan Area, the
20 Superintendent shall multiply the amount of funding per unit of
21 average daily attendance computed for that special education local
22 plan area for the prior fiscal year pursuant to Section 56836.10 by
23 the inflation factor computed pursuant to Section 42238.1, as that
24 section read on January 1, 2013, or any successor section of law
25 enacted by the Legislature that specifies the inflation factor
26 contained in Section 42238.1, as that section read on January 1,
27 2013, for application to the 2013–14 fiscal year and each fiscal
28 year thereafter.

29 *SEC. 45. Section 56836.095 of the Education Code is amended*
30 *to read:*

31 56836.095. For the 2001–02 fiscal year, the ~~superintendent~~
32 *Superintendent* shall make the following computations in the
33 following order:

34 ~~(a) Calculate and carry out the equalization adjustments~~
35 ~~authorized pursuant to Sections 56836.12 and 56836.14.~~

36 ~~(b)~~

37 (a) Complete the calculations required to adjust the statewide
38 total average daily attendance pursuant to Section 56836.156, and
39 adjust the statewide target per unit of average daily attendance for
40 the 2001–02 fiscal year in accordance with this calculation.

1 ~~(e) Determine and provide the amount of funding required for~~
2 ~~the special disabilities adjustment pursuant to Section 56836.155.~~

3 ~~(d)~~

4 (b) Compute and distribute the amount of funding appropriated
5 for increasing the statewide target amount per unit of average daily
6 attendance pursuant to Section 56836.158.

7 ~~(e)~~

8 (c) Compute and provide a permanent adjustment for each
9 special education local plan area pursuant to Section 56836.159.

10 *SEC. 46. Section 56836.11 of the Education Code is amended*
11 *to read:*

12 56836.11. (a) For the purpose of computing the equalization
13 adjustment for special education local plan areas for the 1998–99
14 fiscal year, the Superintendent shall make the following
15 computations to determine the statewide target amount per unit of
16 average daily attendance for special education local plan areas:

17 (1) Total the amount of funding computed for each special
18 education local plan area exclusive of the amount of funding
19 computed for the special education local plan area identified as
20 the Los Angeles County Juvenile Court and Community
21 School/Division of Alternative Education Special Education Local
22 Plan Area, pursuant to Section 56836.09 for the 1997–98 fiscal
23 year.

24 (2) Total the number of units of average daily attendance
25 reported for each special education local plan area for the 1997–98
26 fiscal year, exclusive of average daily attendance for absences
27 excused pursuant to subdivision (b) of Section 46010 as that section
28 read on July 1, 1996, and exclusive of the units of average daily
29 attendance computed for the special education local plan area
30 identified as the Los Angeles County Juvenile Court and
31 Community School/Division of Alternative Education Special
32 Education Local Plan Area.

33 (3) Divide the sum computed in paragraph (1) by the sum
34 computed in paragraph (2) to determine the statewide target amount
35 for the 1997–98 fiscal year.

36 (4) Add the amount computed in paragraph (3) to the inflation
37 adjustment computed pursuant to subdivision (d) of Section
38 56836.08 for the 1998–99 fiscal year to determine the statewide
39 target amount for the 1998–99 fiscal year.

(b) Commencing with the 1999–2000 fiscal year to the 2004–05 fiscal year, inclusive, to determine the statewide target amount per unit of average daily attendance for special education local plan areas, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

~~(c) Commencing with the 2005–06 fiscal year and ending with the 2010–11 fiscal year, to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the incidence multiplier pursuant to former Section 56836.155, the Superintendent shall add the statewide target amount per unit of average daily attendance computed for the prior fiscal year for this purpose to the amount computed in paragraph (2) of subdivision (d) or paragraph (2) of subdivision (e), as appropriate.~~

~~(d)~~

(c) For the 2005–06 fiscal year, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) The 2004–05 fiscal year statewide target amount per unit of average daily attendance less the sum of the 2004–05 fiscal year total amount of federal funds apportioned pursuant to Schedule (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of 2004 for purposes of special education for individuals with exceptional needs enrolled in kindergarten and grades 1 to 12, inclusive, divided by the total average daily attendance computed for the 2004–05 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) Add the amounts computed in paragraphs (1) and (2).

~~(e)~~

(d) Commencing with the 2006–07 fiscal year and continuing through the 2012–13 fiscal year, inclusive, the Superintendent shall make the following computation to determine the statewide

1 target amount per unit of average daily attendance for special
2 education local plan areas for the purpose of computing the
3 inflation adjustment pursuant to paragraph (2) of subdivision (d)
4 of Section 56836.08 and growth pursuant to subdivision (c) of
5 Section 56836.15:

6 (1) The statewide target amount per unit of average daily
7 attendance computed for the prior fiscal year pursuant to this
8 section.

9 (2) Multiply the amount computed in paragraph (1) by the
10 inflation factor computed pursuant to subdivision (b) of Section
11 42238.1 for the fiscal year in which the computation is made.

12 (3) Add the amounts computed in paragraphs (1) and (2).

13 ~~(f)~~

14 (e) For the 2013–14 fiscal year, the Superintendent shall make
15 the following computations to determine the statewide target
16 amount per unit of average daily attendance to determine the
17 inflation adjustment pursuant to subdivision ~~(g)~~ (f) of Section
18 56836.08 and growth pursuant to subdivision (c) of Section
19 56836.15, as follows:

20 (1) Total the amount of funding computed for each special
21 education local plan area pursuant to the amount computed in
22 subdivision (b) of Section 56836.08, including the amount of funds
23 appropriated pursuant to Provision 22 of Item 6110-161-0001 of
24 Section 2.00 of the Budget Act of 2013, and excluding the amount
25 of funding computed for the special education local plan area
26 identified as the Los Angeles County Juvenile Court and
27 Community School/Division of Alternative Education Special
28 Education Local Plan Area, for the 2013–14 fiscal year.

29 (2) Total the number of units of average daily attendance
30 reported for each special education local plan area for the 2012–13
31 fiscal year, exclusive of the units of average daily attendance
32 computed for the special education local plan area identified as
33 the Los Angeles County Juvenile Court and Community
34 School/Division of Alternative Education Special Education Local
35 Plan Area.

36 (3) Divide the sum computed in paragraph (1) by the sum
37 computed in paragraph (2).

38 ~~(g)~~

39 (f) Commencing with the 2014–15 fiscal year and continuing
40 each fiscal year thereafter, the Superintendent shall make the

1 following computations to determine the statewide target amount
2 per unit of average daily attendance for special education local
3 plan areas for the purpose of computing the inflation adjustment
4 pursuant to subdivision ~~(g)~~ (f) of Section 56836.08 and growth
5 pursuant to subdivision (c) of Section 56836.15:

6 (1) The statewide target amount per unit of average daily
7 attendance computed for the prior fiscal year pursuant to this
8 section.

9 (2) Multiply the amount computed in paragraph (1) by the
10 inflation factor computed pursuant to Section 42238.1, as that
11 section read on January 1, 2013, or any successor section of law
12 enacted by the Legislature that specifies the inflation factor
13 contained in Section 42238.1, as that section read on January 1,
14 2013, for application to the 2014–15 fiscal year and each fiscal
15 year thereafter.

16 (3) Add the amounts computed in paragraphs (1) and (2).

17 *SEC. 47. Section 56836.15 of the Education Code is amended*
18 *to read:*

19 56836.15. (a) In order to mitigate the effects of any declining
20 enrollment, commencing in the 1998–99 fiscal year, and each fiscal
21 year thereafter, the Superintendent shall calculate allocations to
22 special education local plan areas based on the average daily
23 attendance reported for the special education local plan area for
24 the fiscal year in which the computation is made or the prior fiscal
25 year, whichever is greater. However, the prior fiscal year average
26 daily attendance reported for the special education local plan area
27 shall be adjusted for any loss or gain of average daily attendance
28 reported for the special education local plan area due to a
29 reorganization or transfer of territory in the special education local
30 plan area.

31 (b) For the 1998–99 fiscal year only, the prior year average
32 daily attendance used in this section shall be the 1997–98 average
33 daily attendance reported for the special education local plan area,
34 exclusive of average daily attendance for absences excused
35 pursuant to subdivision (b) of Section 46010, as that section read
36 on July 1, 1996.

37 (c) If in the fiscal year for which the computation is made, the
38 number of units of average daily attendance upon which allocations
39 to the special education local plan area are based is greater than
40 the number of units of average daily attendance upon which

1 allocations to the special education local plan area were based in
2 the prior fiscal year, the special education local plan area shall be
3 allocated a growth adjustment equal to the product determined by
4 multiplying the amounts determined under paragraphs (1) and (2).

5 (1) The statewide target amount per unit of average daily
6 attendance for special education local plan areas determined
7 pursuant to Section ~~56836.11~~, added to the amount determined in
8 paragraph (1) of subdivision (d) of Section ~~56836.155~~: 56836.11.

9 (2) The difference between the number of units of average daily
10 attendance upon which allocations to the special education local
11 plan area are based for the fiscal year in which the computation is
12 made and the number of units of average daily attendance upon
13 which allocations to the special education local plan area were
14 based for the prior fiscal year.

15 (d) If in the fiscal year for which the computation is made, the
16 number of units of average daily attendance upon which allocations
17 to the special education local plan area are based is less than the
18 number of units of average daily attendance upon which allocations
19 to the special education local plan area were based in the prior
20 fiscal year, the special education local plan area shall receive a
21 funding reduction equal to the product determined by multiplying
22 the amounts determined under paragraphs (1) and (2):

23 (1) The amount of funding per unit of average daily attendance
24 computed for the special education local plan area for the prior
25 fiscal year. For the 2013–14 fiscal year only, the amount of funding
26 per unit of average daily attendance computed for the special
27 education local plan area for the 2013–14 fiscal year shall be used
28 for this purpose.

29 (2) The difference between the number of units of average daily
30 attendance upon which allocations to the special education local
31 plan area are based for the fiscal year in which the computation is
32 made and the number of units of average daily attendance upon
33 which allocations to the special education local plan area were
34 based for the prior fiscal year.

35 (e) If, in the fiscal year for which the computation is made, the
36 number of units of average daily attendance upon which the
37 allocations to the special education local plan area identified as
38 the Los Angeles County Juvenile Court and Community
39 School/Division of Alternative Education Special Education Local
40 Plan Area are based is greater than the number of units of average

1 daily attendance upon which the allocations to that special
2 education local plan area were based in the prior fiscal year, that
3 special education local plan area shall be allocated a growth
4 adjustment equal to the product determined by multiplying the
5 amounts determined under paragraphs (1) and (2).

6 (1) The amount of funding per unit of average daily attendance
7 computed for the special education local plan area for the prior
8 fiscal year pursuant to Section 56836.10 multiplied by one plus
9 the inflation factor computed pursuant to Section 42238.1, as that
10 section read on January 1, 2013, or any successor section of law
11 enacted by the Legislature that specifies the inflation factor
12 contained in Section 42238.1, as that section read on January 1,
13 2013. For the 2013–14 fiscal year only, the amount of funding per
14 unit of average daily attendance computed for the special education
15 local plan area for the 2013–14 fiscal year shall be used, and
16 multiplied by one plus the inflation factor computed pursuant to
17 Section 42238.1, as that section read on January 1, 2013, or any
18 successor section of law enacted by the Legislature that specifies
19 the inflation factor contained in Section 42238.1, as that section
20 read on January 1, 2013, for application to the 2013–14 fiscal year
21 and each fiscal year thereafter.

22 (2) The difference between the number of units of average daily
23 attendance upon which allocations to the special education local
24 plan area are based for the fiscal year in which the computation is
25 made and the number of units of average daily attendance upon
26 which allocations to the special education local plan area were
27 based for the prior fiscal year.

28 *SEC. 48. The heading of Article 4 (commencing with Section*
29 *60640) of Chapter 5 of Part 33 of Division 4 of Title 2 of the*
30 *Education Code is amended to read:*

31
32 ~~Article 4. Measurement of Academic Performance and Progress~~
33 ~~California Assessment of Student Performance and Progress~~
34

35 *SEC. 49. Section 60640 of the Education Code is amended to*
36 *read:*

37 60640. (a) There is hereby established the ~~Measurement of~~
38 ~~Academic Performance and Progress, California Assessment of~~
39 ~~Student Performance and Progress~~, to be known as the ~~MAPP~~.
40 ~~CAASPP~~.

(b) Commencing with the 2013–14 school year, the ~~MAPP~~ *CAASPP* shall be composed of all of the following:

(1) (A) A consortium summative assessment in English language arts and mathematics for grades 3 to 8, inclusive, and grade 11 that measures content standards adopted by the state board.

(B) In the 2013–14 school year, the consortium summative assessment in English language arts and mathematics shall be a field test only, to enable the consortium to gauge the validity and reliability of these assessments and to conduct all necessary psychometric procedures and studies, including, but not necessarily limited to, achievement standard setting, and to allow the department to conduct studies regarding full implementation of the assessment system. These field tests and results shall not be used for any other purpose, including the calculation of any accountability measure.

(2) (A) Science grade level assessments in grades 5, 8, and 10 that measure content standards *adopted* pursuant to Section 60605, until a successor assessment is implemented pursuant to subparagraph (B).

(B) For science assessments, the Superintendent shall make a recommendation to the state board as soon as is feasible after the adoption of science content standards pursuant to Section 60605.85 regarding the assessment of the newly adopted standards. Before making recommendations, the Superintendent shall consult with stakeholders, including, but not necessarily limited to, California science teachers, individuals with expertise in assessing English learners and pupils with disabilities, parents, and measurement experts, regarding the grade level and type of assessment. The recommendations shall include cost estimates and a plan for implementation of at least one assessment in each of the following grade spans:

(i) Grades 3 to 5, inclusive.

(ii) Grades 6 to 9, inclusive.

(iii) Grades 10 to 12, inclusive.

(3) The California Alternate Performance Assessment in grades 2 to 11, inclusive, in English language arts and mathematics and science in grades 5, 8, and 10, which measures content standards adopted pursuant to Section 60605 until a successor assessment is implemented. The successor assessment shall be limited to the

grades and subject areas assessed pursuant to paragraph (1) and subparagraph (B) of paragraph (2).

(4) The Early Assessment Program established by Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3.

(5) (A) ~~The department shall make available to~~ A local educational ~~agencies~~ *agency may administer* a primary language assessment aligned to the English language arts standards adopted pursuant to Section 60605, as it read on January 1, 2013, ~~for assessing to pupils who are enrolled in a dual language immersion program that includes the primary language of the assessment and who are either nonlimited English proficient or redesignated fluent English proficient. The cost for the assessment shall be the same for all local educational agencies, and shall not exceed the marginal cost of the assessment, including any cost the department incurs to implement this section. identified as limited English proficient and enrolled in any of grades 2 to 11, inclusive, until a subsequent primary language assessment aligned to the common core standards in English language arts adopted pursuant to Section 60605.8 is developed pursuant to subparagraph (E).~~

(B) ~~A local educational agency may administer a primary language assessment aligned to the English language arts standards adopted pursuant to Section 60605, as it read on January 1, 2013, at its own expense, and shall enter into an agreement for that purpose with the testing contractor. If the~~ a local educational agency chooses to administer a primary language assessment *to pupils identified as limited English proficient and enrolled in any of grades 2 to 11, inclusive, pursuant to this paragraph, subparagraph (A), it shall notify the department in a manner to be determined by the department and the costs shall be paid by the state and included as part of the testing contract, and the department shall reimburse* provide the local educational agency for its costs, ~~including a per pupil apportionment to administer for administering the assessment pursuant to subdivision (I). The department shall determine the procedures for reimbursement.~~

(C) The Superintendent shall consult with stakeholders, including assessment and English learner experts, to determine the content and purpose of a stand-alone language arts summative assessment in primary languages other than English that aligns with the ~~English language~~ *English language arts* content standards.

1 The Superintendent shall consider the appropriate purpose for this
2 assessment, including, but not necessarily limited to, support for
3 the State Seal of Biliteracy and accountability. It is the intent of
4 the Legislature that an assessment developed pursuant to this
5 section be included in the state accountability system.

6 (D) The Superintendent shall report and make recommendations
7 to the state board at a regularly scheduled public meeting no sooner
8 than one year after the first full administration of the consortium
9 computer-adaptive assessments in English language arts and
10 mathematics summative assessments in grades 3 to 8, inclusive,
11 and grade 11, regarding an implementation timeline and estimated
12 costs of a stand-alone language arts summative assessment in
13 primary languages other than English.

14 (E) The Superintendent shall develop, and the state board shall
15 adopt, a primary language assessment. The Superintendent shall
16 administer this assessment no later than the 2016–17 school year.

17 (F) This paragraph shall be operative only to the extent that
18 funding is provided in the annual Budget Act or another statute
19 for the purpose of this section.

20 (c) No later than March 1, 2016, the Superintendent shall submit
21 to the state board recommendations on expanding the ~~MAPP~~
22 *CAASPP* to include additional assessments, for consideration at a
23 regularly scheduled public meeting. The Superintendent shall also
24 submit these recommendations to the appropriate policy and fiscal
25 committees of the Legislature and to the Director of Finance in
26 accordance with all of the following:

27 (1) In consultation with stakeholders, including, but not
28 necessarily limited to, California teachers, individuals with
29 expertise in assessing English learners and pupils with disabilities,
30 parents, and measurement experts, the Superintendent shall make
31 recommendations regarding assessments including the grade level,
32 content, and type of assessment. These recommendations shall
33 take into consideration the assessments already administered or
34 planned pursuant to subdivision (b). The Superintendent shall
35 consider the use of consortium-developed assessments, various
36 item types, computer-based testing, and a timeline for
37 implementation.

38 (2) The recommendations shall consider assessments in subjects,
39 including, but not necessarily limited to, history-social science,
40 technology, visual and performing arts, and other subjects as

1 appropriate, as well as English language arts, mathematics, and
2 science assessments to augment the assessments required under
3 subdivision (b), and the use of various assessment options,
4 including, but not necessarily limited to, computer-based tests,
5 locally scored performance tasks, and portfolios.

6 (3) The recommendations shall include the use of an assessment
7 calendar that would schedule the assessments identified pursuant
8 to paragraph (2) over several years, the use of matrix sampling, if
9 appropriate, and the use of population sampling.

10 (4) The recommendations shall include a timeline for test
11 development, and shall include cost estimates for subject areas, as
12 appropriate.

13 (5) Upon approval by the state board and the appropriation of
14 funding for this purpose, the Superintendent shall develop and
15 administer approved assessments. The state board shall approve
16 test blueprints, achievement level descriptors, testing periods,
17 performance standards, and a reporting plan for each approved
18 assessment.

19 (d) For the 2013–14 and 2014–15 school years, the department
20 shall make available to local educational agencies Standardized
21 Testing and Reporting Program test forms no longer required by
22 the ~~MAPP~~ *CAASPP*. The cost of implementing this subdivision,
23 including, but not necessarily limited to, shipping, printing, scoring,
24 and reporting per pupil shall be the same for all local educational
25 agencies, and shall not exceed the marginal cost of the assessment,
26 including any cost the department incurs to implement this section.
27 A local educational agency that chooses to administer an
28 assessment pursuant to this ~~section~~ *subdivision* shall do so at its
29 own expense, and shall enter into an agreement for that purpose
30 with a contractor, subject to the approval of the department.

31 (e) The Superintendent shall make available a paper and pencil
32 version of any computer-based ~~MAPP~~ *CAASPP* assessment for
33 use by pupils who are unable to access the computer-based version
34 of the assessment for a maximum of three years after a new
35 operational test is first administered.

36 (f) (1) From the funds available for that purpose, each local
37 educational agency shall administer assessments to each of its
38 pupils pursuant to subdivision (b). As allowable by federal statute,
39 recently arrived English learner pupils are exempted from taking
40 the assessment in English language arts. The state board shall

1 establish a testing period to provide that all schools administer
2 these tests to pupils at approximately the same time during the
3 instructional year. The testing period established by the state board
4 shall take into consideration the need of local educational agencies
5 to provide makeup days for pupils who were absent during testing,
6 as well as the need to schedule testing on electronic computing
7 devices.

8 (2) For the 2013–14 school year, each local educational agency
9 shall administer the field tests in a manner described by the
10 department in consultation with the president or executive director
11 of the state board. Additional participants in the field test beyond
12 the representative sample may be approved by the department, and
13 the department shall use existing contract savings to fund ~~district~~
14 *local educational agency* participation in one or more tests per
15 participant. Funds for this purpose shall be ~~utilized~~ *used* to allow
16 for maximum participation in the field ~~test~~ *tests* across the state.
17 To the extent savings in the current contract are not available to
18 fully fund this participation, the department shall prorate available
19 funds by test. Local educational agencies shall bear any additional
20 costs to administer these assessments that are in excess of the
21 contracted amount. With approval of the state board and the
22 Director of Finance, the department shall amend the existing
23 assessment contract to accommodate field testing beyond the
24 representative sample, and to allow for special studies using
25 information collected from the field tests.

26 (g) From the funds available for that purpose, each local
27 educational agency shall administer assessments as determined by
28 the state board pursuant to paragraph (5) of subdivision (c).

29 (h) As feasible, the ~~MAPP CAASPP~~ field tests shall be
30 conducted in a manner that will minimize the testing burden on
31 individual schools. The ~~MAPP CAASPP~~ field tests shall not
32 produce individual pupil scores unless it is determined that these
33 scores are valid and reliable.

34 (i) The governing board of a school district may administer
35 achievement tests in grades other than those required by this section
36 as it deems appropriate.

37 ~~(j) The governing board of a school district may administer a~~
38 ~~primary language assessment aligned to the English language arts~~
39 ~~standards adopted pursuant to Section 60605 to a pupil identified~~
40 ~~as limited English proficient enrolled in any of grades 2 to 11,~~

1 inclusive, who either receives instruction in his or her primary
2 language or has been enrolled in a school in the United States for
3 less than 12 months

4 (j) Subject to the approval of the state board, the department
5 may make available to local educational agencies a primary
6 language assessment aligned to the English language arts
7 standards adopted pursuant to Section 60605, as it read on January
8 1, 2013, for assessing pupils who are enrolled in a dual language
9 immersion program that includes the primary language of the
10 assessment and who are either nonlimited English proficient or
11 redesignated fluent English proficient until a subsequent primary
12 language assessment aligned to the common core standards in
13 English language arts adopted pursuant to Section 60605.8 is
14 developed pursuant to paragraph (5) of subdivision (b). ~~If the~~
15 ~~governing board of a school district chooses to administer this~~
16 ~~assessment, it shall notify the department in a manner determined~~
17 ~~by the department. The cost for the assessment shall be the same~~
18 ~~for all local educational agencies and shall not exceed the marginal~~
19 ~~cost of the assessment, including any cost the department incurs~~
20 ~~to implement this section. A local educational agency that elects~~
21 ~~to administer a primary language assessment pursuant to this~~
22 ~~subdivision shall do so at its own expense and shall enter into an~~
23 ~~agreement for that purpose with the state testing contractor, subject~~
24 ~~to the approval of the department.~~

25 (k) Pursuant to Section 1412(a)(16) of Title 20 of the United
26 States Code, individuals with exceptional needs, as defined in
27 Section 56026, shall be included in the testing requirement of
28 subdivision (b) with appropriate accommodations in administration,
29 where necessary, and ~~those~~ *the* individuals with exceptional needs
30 who are unable to participate in the testing, even with
31 accommodations, shall be given an alternate assessment.

32 (l) (1) The Superintendent shall apportion funds appropriated
33 for these purposes to local educational agencies to enable them to
34 meet the requirements of subdivisions (b) and (c).

35 (A) For the ~~MAPP~~ *CAASPP* field tests administered in the
36 2013–14 school year or later school years, the Superintendent shall
37 apportion funds to local educational agencies if funds are
38 specifically provided for this purpose in the annual Budget Act.

39 (B) The Superintendent shall apportion funds to local
40 educational agencies to enable them to administer assessments

1 used to satisfy the voluntary Early Assessment Program in the
2 2013–14 school year pursuant to paragraph (4) of subdivision (b).

3 (2) The state board annually shall establish the amount of
4 funding to be apportioned to local educational agencies for each
5 test administered and annually shall establish the amount that each
6 contractor shall be paid for each test administered under the
7 contracts required pursuant to Section 60643. The amounts to be
8 paid to the contractors shall be determined by considering the cost
9 estimates submitted by each contractor each September and the
10 amount included in the annual Budget Act, and by making
11 allowance for the estimated costs to ~~school districts~~ *local*
12 *educational agencies* for compliance with the requirements of
13 subdivisions (b) and (c). The state board shall take into account
14 changes to local educational agency test administration activities
15 under the ~~MAPP, CAASPP~~, including, but not limited to, the
16 ~~number, number and type of tests administered,~~ *administered* and
17 changes in computerized test registration and administration
18 procedures, when establishing the amount of funding to be
19 apportioned to local educational agencies for each test
20 administered.

21 (3) An adjustment to the amount of funding to be apportioned
22 per test shall not be valid without the approval of the Director of
23 Finance. A request for approval of an adjustment to the amount
24 of funding to be apportioned per test shall be submitted in writing
25 to the Director of Finance and the chairpersons of the fiscal
26 committees of both houses of the Legislature with accompanying
27 material justifying the proposed adjustment. The Director of
28 Finance is authorized to approve only those adjustments related
29 to activities required by statute. The Director of Finance shall
30 approve or disapprove the amount within 30 days of receipt of the
31 request and shall notify the chairpersons of the fiscal committees
32 of both houses of the Legislature of the decision.

33 (m) For purposes of making the computations required by
34 Section 8 of Article XVI of the California Constitution, the
35 appropriation for the apportionments made pursuant to paragraph
36 (1) of subdivision (l), and the payments made to the contractors
37 under the contracts required pursuant to Section 60643 or
38 subparagraph (C) of paragraph (1) of subdivision (a) of Section
39 60605 between the department and the contractor, are “General
40 Fund revenues appropriated for school districts,” as defined in

1 subdivision (c) of Section 41202, for the applicable fiscal year,
2 and included within the “total allocations to school districts and
3 community college districts from General Fund proceeds of taxes
4 appropriated pursuant to Article XIII B,” as defined in subdivision
5 (e) of Section 41202, for that fiscal year.

6 (n) As a condition to receiving an apportionment pursuant to
7 subdivision (l), a local educational agency shall report to the
8 Superintendent all of the following:

9 (1) The pupils enrolled in the local educational agency in the
10 grades in which assessments were administered pursuant to
11 subdivisions (b) and (c).

12 (2) The pupils to whom an achievement test was administered
13 pursuant to subdivisions (b) and (c) in the local educational agency.

14 (3) The pupils in paragraph (1) who were exempted from the
15 test pursuant to this section.

16 (o) The Superintendent and the state board are authorized and
17 encouraged to assist postsecondary educational institutions to use
18 the assessment results of the ~~MAPP~~, *CAASPP*, including, but not
19 necessarily limited to, the grade 11 consortium summative
20 assessments in English language arts and mathematics, for
21 academic credit, placement, or admissions processes.

22 (p) Subject to the availability of funds in the annual Budget Act
23 for this purpose, and exclusive of the consortium assessments, the
24 Superintendent, with the approval of the state board, annually shall
25 release to the public test items from the achievement tests pursuant
26 to Section 60642.5 administered in previous years. Where feasible
27 and practicable, the minimum number of test items released per
28 year shall be equal to 25 percent of the total number of test items
29 on the test administered in the previous year.

30 (q) On or before July 1, 2014, Sections 850 to 868, inclusive,
31 of Title 5 of the California Code of Regulations shall be revised
32 by the state board to conform to the changes made to this section
33 in the first year of the 2013–14 Regular Session. The state board
34 shall adopt initial regulations as emergency regulations to
35 immediately implement the ~~MAPP~~ *CAASPP* assessments,
36 including, but not necessarily limited to, the administration,
37 scoring, and reporting of the tests, as the adoption of emergency
38 regulations is necessary for the immediate preservation of the
39 public peace, health, safety, or general welfare within the meaning
40 of Section 11346.1 of the Government Code. The emergency

1 regulations shall be followed by the adoption of permanent
2 regulations, in accordance with the Administrative Procedure Act
3 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
4 Division 3 of Title 2 of the Government Code).

5 *SEC. 50. Section 60640.2 of the Education Code is repealed.*

6 ~~60640.2. (a) Subject to the approval of the state board, the~~
7 ~~department may make available to school districts and charter~~
8 ~~schools a primary language assessment developed pursuant to~~
9 ~~subparagraph (A) of paragraph (3) of subdivision (f) of Section~~
10 ~~60640 for assessing pupils who are enrolled in a dual language~~
11 ~~immersion program that includes the primary language of the~~
12 ~~assessment and who are either nonlimited English proficient or~~
13 ~~redesignated fluent English proficient. The cost for the assessment~~
14 ~~shall be the same for all school districts and charter schools, and~~
15 ~~shall not exceed the marginal cost of the assessment, including~~
16 ~~any cost the department incurs to implement this section.~~

17 ~~(b) A school district or charter school that chooses to administer~~
18 ~~a primary language assessment pursuant to this section shall do so~~
19 ~~at its own expense, and shall enter into an agreement for that~~
20 ~~purpose with the state testing contractor, as described in~~
21 ~~subparagraph (C) of paragraph (3) of subdivision (f) of Section~~
22 ~~60640, subject to the approval of the department.~~

23 *SEC. 51. Section 17581.6 of the Government Code is amended*
24 *to read:*

25 17581.6. (a) Funding apportioned pursuant to this section shall
26 constitute reimbursement pursuant to Section 6 of Article XIII B
27 of the California Constitution for the performance of any state
28 mandates included in the statutes and executive orders identified
29 in subdivision (e).

30 (b) Any school district, county office of education, or charter
31 school may elect to receive block grant funding pursuant to this
32 section.

33 (c) (1) A school district, county office of education, or charter
34 school that elects to receive block grant funding pursuant to this
35 section in a given fiscal year shall submit a letter requesting
36 funding to the Superintendent of Public Instruction on or before
37 August 30 of that fiscal year.

38 (2) The Superintendent of Public Instruction shall, in the month
39 of November of each year, apportion block grant funding
40 appropriated pursuant to Item 6110-296-0001 of Section 2.00 of

1 the annual Budget Act to all school districts, county offices of
2 education, and charter schools that submitted letters requesting
3 funding in that fiscal year according to the provisions of that item.

4 (3) A school district or county office of education that receives
5 block grant funding pursuant to this section shall not be eligible
6 to submit claims to the Controller for reimbursement pursuant to
7 Section 17560 for any costs of any state mandates included in the
8 statutes and executive orders identified in subdivision (e) incurred
9 in the same fiscal year during which the school district or county
10 office of education received funding pursuant to this section.

11 (d) Block grant funding apportioned pursuant to this section is
12 subject to annual financial and compliance audits required by
13 Section 41020 of the Education Code.

14 (e) Block grant funding apportioned pursuant to this section is
15 specifically intended to fund the costs of the following programs
16 and activities:

17 (1) Academic Performance Index (01-TC-22; Chapter 3 of the
18 Statutes of 1999, First Extraordinary Session; and Chapter 695 of
19 the Statutes of 2000).

20 (2) Agency Fee Arrangements (00-TC-17 and 01-TC-14;
21 Chapter 893 of the Statutes of 2000 and Chapter 805 of the Statutes
22 of 2001).

23 (3) AIDS Instruction and AIDS Prevention Instruction (CSM
24 4422, 99-TC-07, and 00-TC-01; Chapter 818 of the Statutes of
25 1991; and Chapter 403 of the Statutes of 1998).

26 (4) California State Teachers' Retirement System (*CalSTRS*)
27 Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994;
28 Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838
29 of the Statutes of 1997; Chapter 965 of the Statutes of 1998;
30 Chapter 939 of the Statutes of 1999; and Chapter 1021 of the
31 Statutes of 2000).

32 (5) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes
33 of 1994).

34 (6) Charter Schools I, II, and III (CSM 4437, 99-TC-03, and
35 99-TC-14; Chapter 781 of the Statutes of 1992; Chapters 34 and
36 673 of the Statutes of 1998; Chapter 34 of the Statutes of 1998;
37 and Chapter 78 of the Statutes of 1999).

38 (7) *Charter Schools IV* (03-TC-03; Chapter 1058 of the Statutes
39 of 2002).

40 (7)

1 (8) Child Abuse and Neglect Reporting (01-TC-21; Chapters
2 640 and 1459 of the Statutes of 1987; Chapter 132 of the Statutes
3 of 1991; Chapter 459 of the Statutes of 1992; Chapter 311 of the
4 Statutes of 1998; Chapter 916 of the Statutes of 2000; and Chapters
5 133 and 754 of the Statutes of 2001).
6 ~~(8)~~
7 (9) Collective Bargaining (CSM 4425; Chapter 961 of the
8 Statutes of 1975).
9 ~~(9)~~
10 (10) Comprehensive School Safety Plans (98-TC-01 and
11 99-TC-10; Chapter 736 of the Statutes of 1997; Chapter 996 of
12 the Statutes of 1999; and Chapter 828 of the Statutes of 2003).
13 ~~(10)~~
14 (11) Consolidation of Annual Parent Notification/Schoolsite
15 Discipline Rules/Alternative Schools (CSM 4488, CSM 4461,
16 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM
17 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the
18 Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469
19 of the Statutes of 1981; Chapter 459 of the Statutes of 1985;
20 Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the
21 Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988;
22 Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the
23 Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter
24 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997;
25 Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the
26 Statutes of 1999, First Extraordinary Session; Chapter 73 of the
27 Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895
28 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).
29 ~~(11)~~
30 (12) Consolidation of Law Enforcement Agency Notification
31 and Missing Children Reports (CSM 4505; Chapter 1117 of the
32 Statutes of 1989 and 01-TC-09; Chapter 249 of the Statutes of
33 1986; and Chapter 832 of the Statutes of 1999).
34 ~~(12)~~
35 (13) Consolidation of Notification to Teachers: Pupils Subject
36 to Suspension or Expulsion I and II, and Pupil Discipline Records
37 (00-TC-10 and 00-TC-11; Chapter 345 of the Statutes of 2000).
38 ~~(13)~~
39 (14) County Office of Education Fiscal Accountability Reporting
40 (97-TC-20; Chapters 917 and 1452 of the Statutes of 1987;

1 Chapters 1461 and 1462 of the Statutes of 1988; Chapter 1372 of
2 the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter
3 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes
4 of 1993; Chapters 650 and 1002 of the Statutes of 1994; and
5 Chapter 525 of the Statutes of 1995).

6 ~~(14)~~

7 (15) Criminal Background Checks (97-TC-16; Chapters 588
8 and 589 of the Statutes of 1997).

9 ~~(15)~~

10 (16) Criminal Background Checks II (00-TC-05; Chapters 594
11 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of
12 1999).

13 (17) *Developer Fees* (02-TC-42; Chapter 955 of the Statutes of
14 1977; Chapter 282 of the Statutes of 1979; Chapter 1354 of the
15 Statutes of 1980; Chapter 201 of the Statutes of 1981; Chapter
16 923 of the Statutes of 1982; Chapter 1254 of the Statutes of 1983;
17 Chapter 1062 of the Statutes of 1984; Chapter 1498 of the Statutes
18 of 1985; Chapters 136 and 887 of the Statutes of 1986; and
19 Chapter 1228 of the Statutes of 1994).

20 ~~(16)~~

21 (18) Differential Pay and Reemployment (99-TC-02; Chapter
22 30 of the Statutes of 1998).

23 ~~(17)~~

24 (19) Expulsion of Pupil: Transcript Cost for Appeals (SMAS;
25 Chapter 1253 of the Statutes of 1975).

26 ~~(18)~~

27 (20) Financial and Compliance Audits (CSM 4498 and CSM
28 4498-A; Chapter 36 of the Statutes of 1977).

29 ~~(19)~~

30 (21) Graduation Requirements (CSM 4181; Chapter 498 of the
31 Statutes of 1983).

32 ~~(20)~~

33 (22) Habitual Truants (CSM 4487 and CSM 4487-A; Chapter
34 1184 of the Statutes of 1975).

35 ~~(21)~~

36 (23) High School Exit Examination (00-TC-06; Chapter 1 of
37 the Statutes of 1999, First Extraordinary Session; and Chapter 135
38 of the Statutes of 1999).

39 ~~(22)~~

1 (24) Immunization Records (SB 90-120; Chapter 1176 of the
2 Statutes of 1977).

3 ~~(23)~~

4 (25) Immunization Records—Hepatitis B (98-TC-05; Chapter
5 325 of the Statutes of 1978; Chapter 435 of the Statutes of 1979;
6 Chapter 472 of the Statutes of 1982; Chapter 984 of the Statutes
7 of 1991; Chapter 1300 of the Statutes of 1992; Chapter 1172 of
8 the Statutes of 1994; Chapters 291 and 415 of the Statutes of 1995;
9 Chapter 1023 of the Statutes of 1996; and Chapters 855 and 882
10 of the Statutes of 1997).

11 ~~(24)~~

12 (26) Interdistrict Attendance Permits (CSM 4442; Chapters 172
13 and 742 of the Statutes of 1986; Chapter 853 of the Statutes of
14 1989; Chapter 10 of the Statutes of 1990; and Chapter 120 of the
15 Statutes of 1992).

16 ~~(25)~~

17 (27) Intradistrict Attendance (CSM 4454; Chapters 161 and 915
18 of the Statutes of 1993).

19 ~~(26)~~

20 (28) Juvenile Court Notices II (CSM 4475; Chapters 1011 and
21 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994;
22 and Chapter 71 of the Statutes of 1995).

23 ~~(27)~~

24 (29) Notification of Truancy (CSM 4133; Chapter 498 of the
25 Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter
26 19 of the Statutes of 1995).

27 (30) *Parental Involvement Programs* (03-TC-16; Chapter 1400
28 of the Statutes of 1990; Chapters 864 and 1031 of the Statutes of
29 1998; Chapter 1037 of the Statutes of 2002).

30 ~~(28)~~

31 (31) Physical Performance Tests (96-365-01; Chapter 975 of
32 the Statutes of 1995).

33 ~~(29)~~

34 (32) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the
35 Statutes of 1978).

36 (33) *Public Contracts* (02-TC-35; Chapter 1073 of the Statutes
37 of 1985; Chapter 1408 of the Statutes 1988; Chapter 330 of the
38 Statutes of 1989; Chapter 1414 of the Statutes of 1990; Chapter
39 321 of the Statutes of 1990; Chapter 799 of the Statutes of 1992;
40 and Chapter 726 of the Statutes of 1994).

1 ~~(30)~~

2 (34) Pupil Health Screenings (CSM 4440; Chapter 1208 of the
3 Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter
4 750 of the Statutes of 1992).

5 ~~(31)~~

6 (35) Pupil Promotion and Retention (98-TC-19; Chapter 100
7 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982;
8 Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes
9 of 1990; and Chapters 742 and 743 of the Statutes of 1998).

10 ~~(32)~~

11 (36) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes
12 of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the
13 Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332
14 of the Statutes of 1986; Chapter 445 of the Statutes of 1992;
15 Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes
16 of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of
17 the Statutes of 1996; and Chapter 492 of the Statutes of 2000).

18 ~~(33)~~

19 (37) Pupil Expulsions (CSM 4455; Chapter 1253 of the Statutes
20 of 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the
21 Statutes of 1978; Chapter 318 of the Statutes of 1982; Chapter 498
22 of the Statutes of 1983; Chapter 622 of the Statutes of 1984;
23 Chapter 942 of the Statutes of 1987; Chapter 1231 of the Statutes
24 of 1990; Chapter 152 of the Statutes of 1992; Chapters 1255, 1256,
25 and 1257 of the Statutes of 1993; and Chapter 146 of the Statutes
26 of 1994).

27 ~~(34)~~

28 (38) Pupil Expulsion Appeals (CSM 4463; Chapter 1253 of the
29 Statutes of 1975; Chapter 965 of the Statutes of 1977; Chapter 668
30 of the Statutes of 1978; and Chapter 498 of the Statutes of 1983).

31 ~~(35)~~

32 (39) Pupil Suspensions (CSM 4456; Chapter 965 of the Statutes
33 of 1977; Chapter 668 of the Statutes of 1978; Chapter 73 of the
34 Statutes of 1980; Chapter 498 of the Statutes of 1983; Chapter 856
35 of the Statutes of 1985; and Chapter 134 of the Statutes of 1987).

36 ~~(36)~~

37 (40) School Accountability Report Cards (97-TC-21, 00-TC-09,
38 00-TC-13, and 02-TC-32; Chapter 918 of the Statutes of 1997;
39 Chapter 912 of the Statutes of 1997; Chapter 824 of the Statutes

1 of 1994; Chapter 1031 of the Statutes of 1993; Chapter 759 of the
2 Statutes of 1992; and Chapter 1463 of the Statutes of 1989).
3 ~~(37)~~
4 (41) School District Fiscal Accountability Reporting (97-TC-19;
5 Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes
6 of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and
7 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the
8 Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter
9 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992;
10 Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and
11 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of
12 1995).
13 ~~(38)~~
14 (42) School District Reorganization (98-TC-24; Chapter 1192
15 of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).
16 ~~(39)~~
17 (43) Student Records (02-TC-34; Chapter 593 of the Statutes
18 of 1989; Chapter 561 of the Statutes of 1993; Chapter 311 of the
19 Statutes of 1998; and Chapter 67 of the Statutes of 2000).
20 ~~(40)~~
21 (44) The Stull Act (98-TC-25; Chapter 498 of the Statutes of
22 1983; and Chapter 4 of the Statutes of 1999).
23 ~~(41)~~
24 (45) Threats Against Peace Officers (CSM 96-365-02; Chapter
25 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of
26 1995).
27 (46) *Uniform Complaint Procedures* (03-TC-02; Chapter 1117
28 of the Statutes of 1982; Chapter 1514 of the Statutes 1988; and
29 Chapter 914 of the Statutes of 1998).
30 (47) *Williams Case Implementation I, II, and III* (05-TC-04,
31 07-TC-06, and 08-TC-01; Chapters 900, 902, and 903 of the
32 Statutes of 2004; Chapter 118 of the Statutes of 2005; Chapter
33 704 of the Statutes of 2006; and Chapter 526 of the Statutes of
34 2007).
35 ~~(42)~~
36 (48) Pupil Expulsions II, Pupil Suspensions II, and Educational
37 Services Plan for Expelled Pupils (96-358-03, 03A, 98-TC-22,
38 01-TC-18, 98-TC-23, 97-TC-09; Chapters 972 and 974 of the
39 Statutes of 1995; Chapters 915, 937, and 1052 of the Statutes of
40 1996; Chapter 637 of the Statutes of 1997; Chapter 498 of the

Statutes of 1998; Chapter 332 of the Statutes of 1999; Chapter 147 of the Statutes of 2000; and Chapter 116 of the Statutes of 2001).

(f) Notwithstanding Section 10231.5, on or before November 1 of each fiscal year, the Superintendent of Public Instruction shall produce a report that indicates the total amount of block grant funding each school district, county office of education, and charter school received in that fiscal year pursuant to this section. The Superintendent of Public Instruction shall provide this report to the appropriate fiscal and policy committees of the Legislature, the Controller, the Department of Finance, and the Legislative Analyst's Office.

SEC. 52. *Section 17581.8 is added to the Government Code, to read:*

17581.8. (a) (1) The sum of two hundred eighty-seven million one hundred forty-nine thousand dollars (\$287,149,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to school districts in the manner, and for the purposes, set forth in this section.

(2) The sum of forty-nine million five hundred thousand dollars (\$49,500,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for allocation to community college districts in the manner, and for the purposes, set forth in this section.

(3) For purposes of this section, a school district includes a county office of education and a charter school.

(b) (1) The Superintendent of Public Instruction shall allocate the funds appropriated pursuant to paragraph (1) of subdivision (a), and the funds appropriated for purposes of this section pursuant to Item 6110-488 of the Budget Act of 2014, to school districts on the basis of an equal amount per unit of regular average daily attendance, as those numbers are reported at the time of the second principal apportionment for the 2013–14 fiscal year.

(2) The Chancellor shall allocate the funds appropriated pursuant to paragraph (2) of subdivision (a) to community college districts on the basis of an equal amount per enrolled full-time equivalent student, as those numbers are reported at the time of the second principal apportionment for the 2013–14 fiscal year.

(c) Allocations made pursuant to this section shall first satisfy any outstanding claims pursuant to Section 6 of Article XIII B of

1 *the California Constitution for reimbursement of state-mandated*
 2 *local program costs for any fiscal year. Notwithstanding any*
 3 *amounts that are paid in satisfaction of outstanding claims for*
 4 *reimbursement of state-mandated local program costs, the*
 5 *Controller may audit any claim as allowed by law, and may reduce*
 6 *any amount owed by school districts or community college districts*
 7 *pursuant to an audit by reducing amounts owed by the state to*
 8 *school districts or community college districts for any other*
 9 *mandate claims. The Controller shall apply amounts received by*
 10 *each school district or community college district against any*
 11 *balances of unpaid claims for reimbursement of state-mandated*
 12 *local program costs and interest in chronological order beginning*
 13 *with the earliest claim. The Controller shall report to each school*
 14 *district and community college district the amounts of any claims*
 15 *and interest that are offset from funds provided pursuant to this*
 16 *section, and shall report a summary of the amounts offset for each*
 17 *mandate for each fiscal year to the Department of Finance and*
 18 *the fiscal committees of the Legislature.*

19 *(d) (1) The governing board of a school district or community*
 20 *college district may expend funds received pursuant to this section*
 21 *for any one-time purpose, as determined by the governing board.*

22 *(2) It is the intent of the Legislature that school districts will*
 23 *prioritize the use of these one-time funds for professional*
 24 *development, instructional materials, technology infrastructure,*
 25 *and any other investments necessary to support implementation*
 26 *of the common core standards in English language arts and*
 27 *mathematics, the implementation of English language development*
 28 *standards, and the implementation of the Next Generation Science*
 29 *standards.*

30 *SEC. 53. Item 6110-106-0001 of Section 2.00 of the Budget*
 31 *Act of 2013 is amended to read:*

32
 33 6110-106-0001—For local assistance, Department of Education
 34 (Proposition 98), for transfer to Section A of the State
 35 School Fund, for support of the California Local Control
 36 Accountability Support Network..... 10,000,000
 37 Provisions:
 38 1. Funds appropriated in this item shall be used to support
 39 the California Local Control Accountability Support
 40 Network, composed of regional Mentor Teams to assist

in the improvement of Local Control and Accountability Plans (LCAP) established in Article 3.8 (commencing with Section 52060) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code. Up to \$300,000 of this amount may be used to support a statewide evaluation to measure the effectiveness of the support network in responding to the needs of local education agencies.

2. Funds appropriated in this item shall be available for encumbrance until June 30, 2015.

SEC. 54. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 55. The balance of the appropriations provided by Item 6110-139-8080 of Section 2.00 of the Budget Act of 2013, as added by Chapters 20 and 354 of the Statutes of 2013, are hereby reappropriated to the State Department of Education for the purposes of, and subject to, that item, and, notwithstanding any other law, shall be available for encumbrance until June 30, 2018.

SEC. 56. (a) Of the amount allocated in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2012, thirty-two million eight hundred six thousand dollars (\$32,806,000) is provided to fund the 2010–11 fiscal year maintenance of effort in the special education program.

(b) Of the amount allocated in Schedule (1) of Item 6110-161-0001 of Section 2.00 of the Budget Act of 2013, forty-six million nine hundred forty-three thousand dollars (\$46,943,000) is provided to fund the 2010–11 fiscal year maintenance of effort in the special education program.

SEC. 57. (a) Notwithstanding any other law, the Director of Finance shall determine, on or before May 14, 2015, whether the total allocations required by subdivision (b) of Section 8 of Article XVI of the California Constitution for the 2013–14 and 2014–15 fiscal years, as estimated by the Director of Finance on May 13, 2015, exceed the total allocations required by subdivision (b) of Section 8 of Article XVI of the California Constitution for the

1 2013–14 and 2014–15 fiscal years as determined at the time of,
2 and as set forth in, the 2014 Budget Act.

3 (b) (1) Any excess amount determined pursuant to subdivision
4 (a) shall be appropriated to school districts and community college
5 districts in satisfaction of the minimum funding obligation for
6 school districts and community college districts required by Section
7 8 of Article XVI of the California Constitution for the 2013–14
8 and 2014–15 fiscal years, and are appropriations made and
9 allocated in those respective fiscal years based on any positive
10 amounts attributable to each of those fiscal years, as determined
11 pursuant to the calculations made in subdivision (a).

12 (2) The amount of funding appropriated to school districts and
13 community college districts pursuant to paragraph (1) shall be
14 distributed to school districts and community college districts
15 based on their respective proportion of the sum of warrants that
16 would otherwise be drawn in July pursuant to subdivision (h) of
17 Section 14041.6 of the Education Code and paragraph (6) of
18 subdivision (a) of Section 84321.6 of the Education Code.

19 (c) Notwithstanding any other law, up to eight hundred
20 ninety-seven million one hundred eighty-four thousand dollars
21 (\$897,184,000) of the warrants that would otherwise be drawn in
22 July 2015 pursuant subdivision (h) of Section 14041.6 of the
23 Education Code may instead be drawn in June 2015, based on the
24 amount of available funding attributable to school districts
25 pursuant to paragraph (2) of subdivision (b).

26 (d) Notwithstanding any other law, up to ninety-four million
27 four hundred sixty-five thousand dollars (\$94,465,000) of the
28 warrants that would otherwise be drawn in July 2015 pursuant to
29 paragraph (6) of subdivision (a) of Section 84321.6 of the
30 Education Code may instead be drawn in June 2015, based on the
31 amount of available funding attributable to community college
32 districts pursuant to paragraph (2) of subdivision (b).

33 (e) The Director of Finance shall notify the Chairperson of the
34 Joint Legislative Budget Committee, or his or her designee, on or
35 before June 30, 2015, of his or her intent to notify the Controller
36 of the necessity to release funds appropriated in subdivision (b).
37 The Controller shall make the funds available no earlier than five
38 days after the notification, and the Superintendent of Public
39 Instruction and Chancellor of the California Community Colleges

1 *shall work with the Controller to allocate the funds to school*
2 *districts and community college districts as soon as practicable.*

3 *SEC. 58. (a) On or before June 30, 2015, an amount to be*
4 *determined by the Director of Finance shall be appropriated from*
5 *the General Fund to the Superintendent of Public Instruction in*
6 *augmentation of Schedule (1) of Item 6110-161-0001 of Section*
7 *2.00 of the Budget Act of 2014.*

8 *(b) The funds appropriated in subdivision (a) shall only be*
9 *available to the extent that revenues distributed to local*
10 *educational agencies for special education programs pursuant to*
11 *Sections 34177, 34179.5, 34179.6, and 34188 of the Health and*
12 *Safety Code are less than the estimated amount reflected in the*
13 *Budget Act of 2014, as determined by the Director of Finance.*

14 *(c) On or before June 30, 2015, the Director of Finance shall*
15 *determine if the revenues distributed to local educational agencies*
16 *for special education programs pursuant to Sections 34177,*
17 *34179.5, 34179.6, and 34188 of the Health and Safety Code exceed*
18 *the estimated amount reflected in the Budget Act of 2014 and shall*
19 *reduce Schedule (1) of Item 6110-161-0001 of Section 2.00 of the*
20 *Budget Act of 2014 by the amount of that excess.*

21 *(d) In making the determinations pursuant to subdivisions (b)*
22 *and (c), the Director of Finance shall consider any other local*
23 *property tax revenues collected in excess or in deficit of the*
24 *estimated amounts reflected in the Budget Act of 2014.*

25 *(e) The Director of Finance shall notify the Chairperson of the*
26 *Joint Legislative Budget Committee, or his or her designee, of his*
27 *or her intent to notify the Controller of the necessity to release*
28 *funds appropriated in subdivision (a) or to make the reduction*
29 *pursuant to subdivision (c), and the amount needed to address the*
30 *property tax shortfall determined pursuant to subdivision (b) or*
31 *the amount of the reduction made pursuant to subdivision (c). The*
32 *Controller shall make the funds available not sooner than five*
33 *days after this notification and the State Department of Education*
34 *shall work with the Controller to allocate these funds to local*
35 *educational agencies as soon as practicable.*

36 *(f) For purposes of making the computations required by Section*
37 *8 of Article XVI of the California Constitution, the appropriations*
38 *made by subdivision (a) shall be deemed to be "General Fund*
39 *revenues appropriated for school districts," as defined in*
40 *subdivision (c) of Section 41202 of the Education Code, for the*

1 2014–15 fiscal year, and included within the “total allocations to
2 school districts and community college districts from General
3 Fund proceeds of taxes appropriated pursuant to Article XIII B,”
4 as defined in subdivision (e) of Section 41202 of the Education
5 Code, for the 2014–15 fiscal year.

6 SEC. 59. This act is a bill providing for appropriations related
7 to the Budget Bill within the meaning of subdivision (e) of Section
8 12 of Article IV of the California Constitution, has been identified
9 as related to the budget in the Budget Bill, and shall take effect
10 immediately.

11 SECTION 1. ~~It is the intent of the Legislature to enact statutory~~
12 ~~changes relating to the Budget Act of 2014.~~